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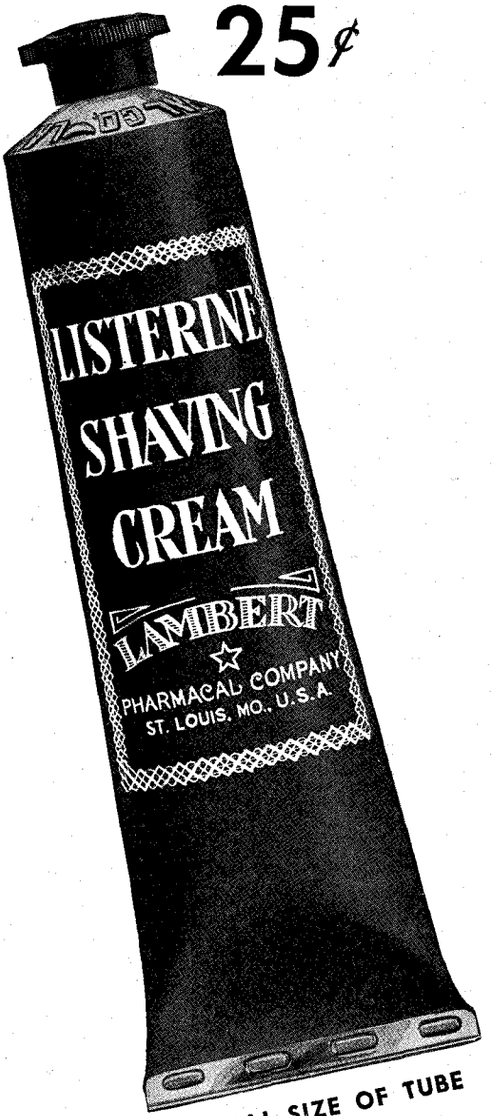
to prove to you that you're paying too much for shaving cream



ACTUAL SIZE OF TUBE

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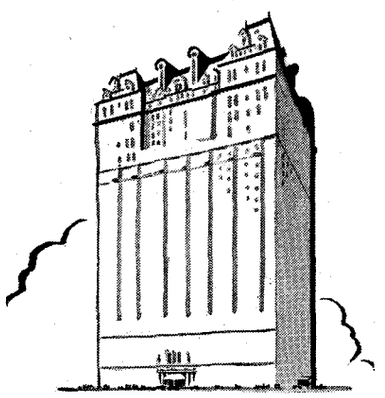

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Occupations—
Today and Tomorrow
By Berta Crone

THE POSITIVE SIGNS of business improvement of which we hear so much nowadays are certain to act as a tonic and a stimulant to those intrusted with the management of business organizations. The reported gains should, and no doubt will, revive the natural confidence of these managers and restore their power to think and act on matters vital to the continuance of their organizations as well as to their own progress. For there is no doubt that many executives, and the specialized workers employed by them, have been so unnerved by the events of the past three years as to lose their perspective and initiative; they need encouragement and stimulation almost as much as their contemporaries who lost their positions in consequence of the bad business conditions of the past three years.

A change is undoubtedly coming. Business fact-finding agencies report that the demand for clothing, especially women's and children's, and dry goods has shown a marked increase since the middle of March. Manufacturers and wholesale firms who supply department stores, chain stores, and specialty shops are busy replenishing their depleted stocks.

The legalization of beer has not only created a new industry, or revived an old one, but is drawing upon other industries for supplies such as bottles, barrels, corks, labels, bar fixtures, glasses, pretzels, and for services of various kinds. Railroads, automobiles, and horse-drawn trucks are busy transporting supplies and beer. Advertising agencies and advertising departments of newspapers and magazines are planning and conveying trade information from manufacturers to the public, announcing the different brands of beer for sale. Restaurants, drug stores, and others are cheerfully, nay, gaily quenching the thirst of a dry and amused public. These manifestations of activity serve to stimulate the imaginations and to revive the drooping spirits even of persons not directly connected with the industries mentioned.

Professional workers such as advertising managers, writers, statisticians, proofreaders, food specialists, travel agents, artists, both in and out of work, should be heartened by these evidences of general improvement and should prepare for new demands upon their abilities and for the opportunities which are sure to eventuate with increased business.

Retail stores which are prospering, or doing a larger volume of business are likely to be much more receptive to new ideas in merchandise and new methods of promoting and selling it than stores which are struggling with huge deficits. At such a time as this the executives of all organizations are apt to be on the *qui vive* for new ideas and new blood in their subordinates. Persons with practical ideas regarding new methods of management, new kinds of service, new commodities, new policies, will be in demand to meet the changing situation.

A study of economic activities and trends in the various fields of work, with a view to discovering new services to perform and the ways in which they may be rendered, or better methods of performing services which are already in use, will be of greater value to the unemployed professional worker in finding employment than going about in search of a position.

There are as yet few open positions today, but plenty of work will have to be done as business conditions improve. It is the business of the professional worker, quite as much as of his employer, real or potential, to think out and anticipate what some of these needs will be and how they may be met. The professional worker must realize that under the existing social system his pres-

(*Continued on page* 59)

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Traveling With the News

TRAVEL WHERE WE WILL today over this country, which is discussed from so many divergent angles in this month's issue of NEW OUTLOOK by Edward M. Barrows, Joel Sayre, and Mrs. Marie L. Darrach—and in what do we find it submerged!—literally and polemically? No, not economics, not unemployment, not farm mortgages, not the Nazis' Jewish policy. No, everywhere we go, we hear—and possibly drink—beer! Beer! Beer!

Beer has suddenly become the most important thing in our American life. A visiting foreigner would surely become a little perplexed over our unrestrained exhibitionism of not only our childlike simplicity and hilarity but also our passion and solemnity—over beer. We talk to this group in this state and they tell us about the victory with all the vehemence of freemen who have won a war against tyranny; then we pass on to another group in another state and we are told that America has just sold itself to the Devil for a pot of beer! Each is filled with righteous indignation, or exultation. As we travel from place to place, we learn that this "3.2" is not such a harmless beverage as many suppose, but a moral Cause, on both sides, fairly rocking a nation.

All this pow-wow over beer, sends us traveling across the sea to do a bit of reconnoitering, possibly a little reviewing, of the manner in which foreigners consume and carry their beer. Just what is its relation to daily life and morals? Is there a beer question?

Before descending upon Munich, the Beer Mecca of the world, we hastily scan the beer content of the rest of the Continent and find it everywhere the common and popular beverage of all classes. There was no "Question" about it there, anymore than there is about tea, or coffee or ice cream sodas here, each of which comes in for its solemn warning occasionally by guardians of public health.

Frankly, we find the beer garden the center of family life. This is particularly true of Germany, where beer plays not a little part in convivially uniting—leaving politics quite out of it—all Germany into One Big Family. No review or commentary on the life, customs and manners of the German people would be complete without mentioning the beer gardens. These gardens are the repositories of the fluid spirits of the nation. Here, a large and important part, nine-tenths of it of a Sunday, of the nation gathers, mingles and listens-in to the national news, gossip, music, manners and morals.

Munich is the Capital of Beer and of Bavaria. In Munich beer is life itself, the real life. It is comedy and tragedy. It is meat and drink. In beer are the by-gone glories of a Royal Bavaria and Kings and Kaisers remembered—and defeat, lost colonies, Alsace and Polish Corridor forgotten. Beer is Bavaria's amber poppy, her goddess Lethe, her wassail bowl and her mother's milk.

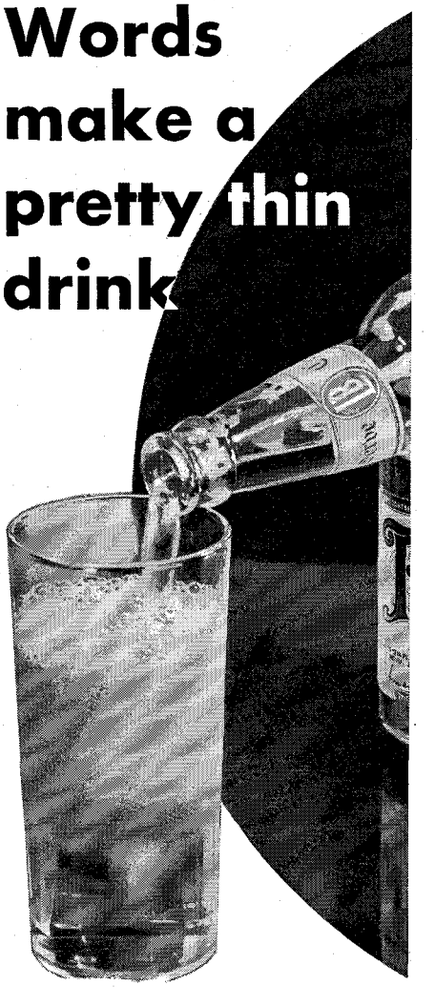
Foreigners will try to explain this by saying that in all the world there is no beverage quite like Muenchner, to mention a few of its brews and brands: Hofbraü, Augustinerbraü, Paulanerbraü, Kochelbraü, Pschorrbraü, Hackerbraü and Buergerbraü. *Prosit!*

Some persons may tell us that the theaters are the playhouses of Munich, but the real playhouse is the Hofbraühaus—one of the greatest in all Germany. Here thousands gather nightly; not to watch the play, but to participate in it. It is a huge spectacle in which spectators become simultaneously actors and audience. One or more liters of Hofbraü is the *deus ex machina.*

An impression of the amber flood of Munich would be incomplete without some mention of "Am Platzl." Am Platzl is a beer garden with a racy tradition of nearly a century behind it. It is in fact a good-sized hall with a stage upon which a company of performers from nearby Dachau nightly appear. In Munich, when one wants to call another a sap, they say he is a Dachauer. They will sit and drink and laugh by the hour at these prize performing yokels—in the same manner that the Prussians will sit and laugh at "those Bavarian clowns"—under the spell of Muenchnerbraü.

Beer "Garden" is really a figure of speech. We cannot recall having ever seen a *biergarten* in which grew any flowers other than the variegated flora of foam that germinates in the

Words make a pretty thin drink



Old time beer users need no education in beer taste. They *know* the Rheingold of old. But the entire new generation—who never tasted *real* beer—must learn by tasting.

And we, the makers of Rheingold, sincerely hope that everyone does just that. Try Rheingold. *Try them all.* That will tell the story.

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soil of an imagination fertilized and stimulated by the fermented brew of malt and hops. But there is something of the beneficial effects of a public flower garden about it all, in bringing the people together in a common pool of sympathy and understanding—apart from their sordid, and troublous daily life and problems of home and state. Further, the *biergarten* may be a shady spot on a mountain top, or it may be a hall great or small where beer is served, or it may be located on the lower deck of a Rhine steamer, or it may be in the depths of an ancient *rathskeller*.

●

We remember—a night in the sizeable town of Eisenach, where we had the intention of ascending in the morning to the castle of the Wartburg, that pure Romanesque palace where Luther planned his Reformation, where dwelt St. Elizabeth, and where is to be found that Hall of the Minniesingers that is the *mise en scene* of "Tannhauser."

When evening came, we had but to follow the crowd and soon found ourselves in a hall called Schmelzerhof, where we learned that an entertainment was being given by the pick of local talent. The hall was large and quadrangular with colonnades supporting narrow galleries. The entire floor space was filled with tables covered with figured cloths. We hurried to the nearest vacant seats, bowing gravely and saying, *"Guten Abend!"* to the brace of families already seated round the table. They were all very dressy, in a local way, and in a highly festive mood. Two complete families, each with a Poppa, a Momma and their grown children. Poppa Number 1 was a Smiling Man. He wore a cutaway coat with a natty collar button exposed beneath a string cravat, and an extra-heavy gold watch chain across the right side of his waistcoat. He smoked his Sunday cigar with care and economy. His wife was a sweet, pretty woman of forty; pleasingly old-fashioned. Between them firmly sat a plump grown daughter whom Poppa treated with the same guarded, smiling care which he bestowed upon his cigar. She gazed at the flapperish groups of frolicking young people at other tables with that something in her eyes that has foreshadowed revolutions. A little while later we were joined by a jaunty gentleman with a

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mauve flower in his buttonhole and a wife with red hair who wore a blue silk dress slightly over-embroidered in her desire to create a chef d' oeuvre of her own needlework. They shook hands solemnly with us all, adding "God's greeting," and then drew up their chairs and sat down.

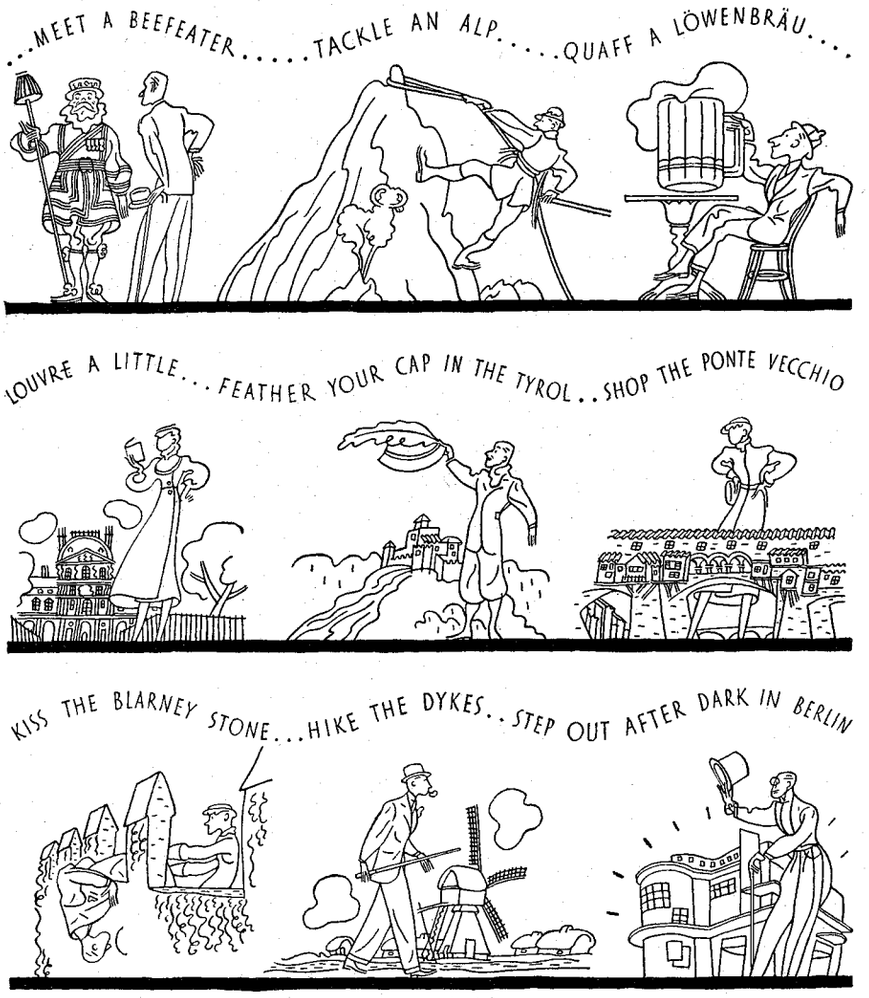
The waiter automatically brought large schooners of beer for each newcomer, under the benign influence of which we all sooner or later felt ourselves bonafide members of the One Big Family of the Schmelzerhof. Throughout, the music was very *oom-pah-ish,* reminding us—ah, so pleasantly!—of the "mud gutter bands" of our childhood days.

It was one of those entertainments like they used to hold in Mechanic's Hall, when we were very young. All the while the waiters sneaked about in the semi-darkness in search of "empties," for which they exchanged fresh glassfuls at thirty-five pfennigs, "mit" (meaning the tip.) They had long since abandoned their inadequate trays and were transporting the glasses of beer in large wire baskets.

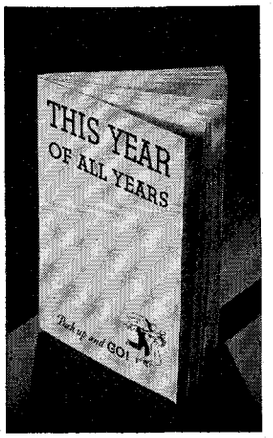
But that's the idea of it all: *Gemütlichkeit* (as Mr. Sayre reminds us) *Freundlich!* Wholesome!

One more "family recollection"—the Huttenscher Garten in Wuerzburg one July afternoon. A quadrangle beneath a natural canopy of horse-chestnut trees. More than 2,000 persons sitting at iron tables covered with red flowered cloths. Each patron with his quota of *dunkle* Wuerzburger. The *garten* is as old as the hills; it contains many weather and time-worn statues which for the moment are made to appear ridiculous by patrons hanging hats and sticks on their hands, elbows,—with no offence to anyone, of course, and merriment to all, for this is strictly a family resort and affair. Two little girls across the table with pigtails are drinking papa's beer, taking turns. The dissembling old-young lady in front is having her store hair tumble down revealing her deceit. It begins to rain and there is a grand scramble as everyone grabs his stein and half-finished *Schweins Wursten mit Brodt* and dashes into the inclosed hall, where ten minutes later the band begins to play again as though nothing had happened. . . .

And so, all over Germany, usurping the prize vista beside every beauty spot of Nature, atop every hill, in every grove, beside every stream—is


...MEET A BEEFEATER.....TACKLE AN ALP.....QUAFF A LÖWENBRÄU....
LOUVRE A LITTLE...FEATHER YOUR CAP IN THE TYROL..SHOP THE PONTE VECCHIO
KISS THE BLARNEY STONE...HIKE THE DYKES..STEP OUT AFTER DARK IN BERLIN

. . . *this* year of *all* years!



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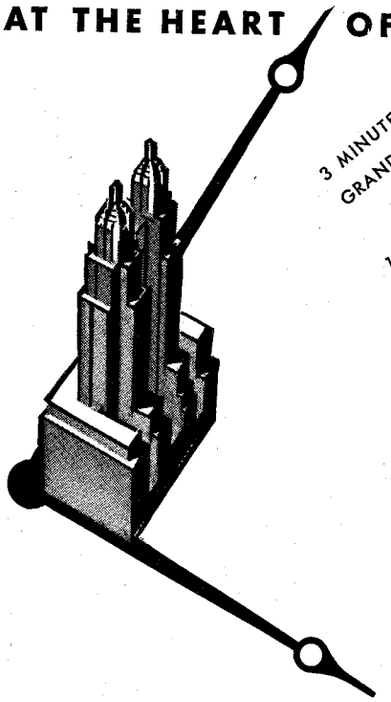
THE WALDORF-ASTORIA

AT THE HEART OF THINGS . . .



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always to be found a beer "garden," where every so often all the families —Poppa, Momma, Kinder—assemble regularly and drink their beer. Happiness seems common in these gardens with plenty of laughter, and usually some form of music; rarely drunkenness, never a brawl. No one would have the slightest idea what one was talking about should he ask, "But what about the moral side of this beer-drinking life?"

●

And this brings us traveling back to America, squarely facing American scenes, temperaments and problems. Instantly beer is dramatized again. We begin to leave the open-air beer garden and make it a mass and class affair, Capital and Labor, the women going into "back rooms" and the men into saloons behind frosted windows to drink their beer, giving a subtle, sinister, almost criminal slant. Perhaps we can't drink our beer leisurely and decently and neighborly any other way. Perhaps we are so constituted that we must just go on and on and guzzle it speakeasy fashion.

Are they saying, as they use to so very, very long ago in Milwaukee:

"From Schlitz to Blatz—
Und Blatz to Pabst—
Den back vunce more to Schlitz
—Ve go!"?

Milwaukee was that way in the Good Old Days—a German city that you didn't have to leave the States to visit. But now that we have got as far as Milwaukee, why not push on northwestward—and completely forget the turmoil of the big cities over beer?

Chronic-globe-trotting Americans! Do you know your country's great Northwest? There's a glorious empire of Nature with a continuous panorama of sights and scenes that are not only unlike, but unsurpassed, by any others in the world. There are two mighty railways that traverse the region in a thrilling, luxurious manner that leaves nothing to be desired. One of these roads is electrically operated through nearly a thousand miles of wonderful mountain scenery.

We travel across the seas to view the Lakes of Killarney, or the Trossachs, or the Italian, or the Swiss Lakes. For sentimental reasons, we hear them remark. But is there any

(*Continued on page* 64)

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NEW
OUTLOOK

ALFRED E. SMITH
Editor-in-Chief

FRANCIS WALTON
Managing Editor

CONTENTS FOR MAY, 1933

Inflation	Alfred E. Smith	9
The Road Away from Here	Anne O'Hare McCormick	13
U.R.A.,—A New American Nation	Edward M. Barrows	17
Written in Aluminum	Frederick R. Barkley	22
Back to Bock!	Joel Sayre	27
The Plight of 6,000,000 Factories	Gordon C. Corbaley	30
Mr. Buffalo of Broadway	Cy Caldwell	36
Weak Links in Chains of Stores	Joseph M. Mellen	40
Economic War Reports	E. H. Collins	44
To See or Not to See	Cy Caldwell	46
Charity in the Market Place	Helen Hall	48
All the Sad Young Vice-Presidents	Marie L. Darrach	51
Outlook Book Choice of the Month	Robert Cantwell	55
Talk of the Nation		56
Occupations—Today and Tomorrow	Berta Crone	2
Traveling With the News	Henry Albert Phillips	3
Checklist of New Ideas		8

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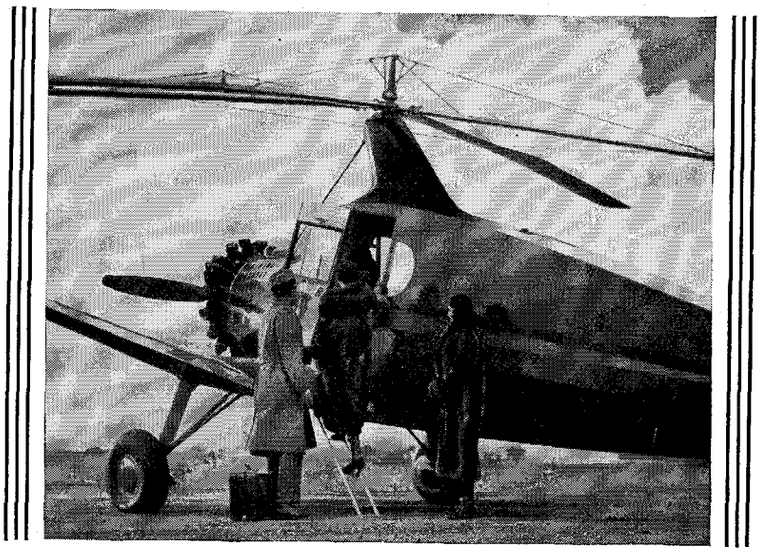

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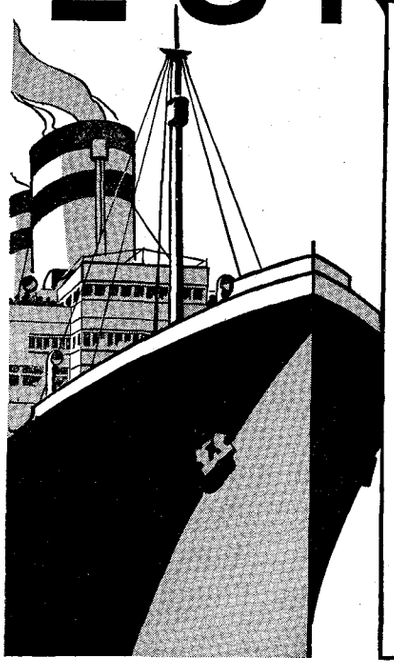

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Checklist of New Ideas

ON MUSSOLINI

"Mussolini is always right." —*8th Commandment of the New Decalogue of the Italian Militia.*

ON HITLERISM

Luther said a plowman can be more pious at his plowing than a nun at her prayers. We say a storm trooper in his fighting is more in God's will than a church that does not jubilantly join in the call for the third Reich.—*Rev. Mr. Hossenfelder, Protestant, Berlin.*

ON CRITICS

I am aware of the fact that my incursion into many fields precludes distinction in any. This is not because it is impossible to combine versatility with depth, but because the critics are unwilling to concede eminence in more than one sphere.—*C. E. M. Jöad in "Under the Fifth Rib."*

ON THE 1920's

"No Nice Girl Swears" is the title of a little handbook by Alice Leone Moats on what the young girl about town should know, which Alfred A. Knopf is about to publish. Among the chapter headings which suggest the variety of advice offered by Miss Moats are: Should She Ask Him In?, Keeping an Amateur Standing, Never Speak to Strangers Unless They Speak to You, Launching a Belle, Cutting in and Sitting Out, and Our Plastered Friends.—*Book Note.*

ON GOVERNMENT BY THE PEOPLE

The only vote of "nay" in the roll-call [of the Michigan 18th Amendment Repeal Convention] was from Eugene Davenport of Barry County, former dean of agriculture at the University of Illinois. His lone stand was greeted with enthusiastic and prolonged applause in which both wets and drys joined. The convention later adopted a resolution commending Mr. Davenport for his *"courteous deportment."—News Dispatch, N. Y. Times.*

ON WORLD HOPE

America has, I believe, to face a period of liquidation, the immediate outcome of which may not be improvement of general world economic conditions, but an accentuation of the present difficulties.—*Sir Harry McGowan, Chairman Imperial Chemical Industries, Ltd.*

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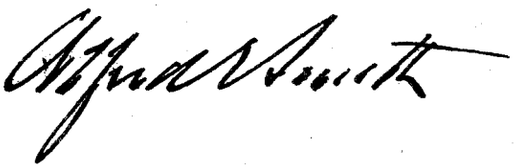
OUTLOOK

Inflation



WE HEAR MORE AND MORE TALK each day about inflation. Most people who use the word don't even know what it means. Inflation, in the broad sense, means any act of the national government which arbitrarily puts more money into circulation. This can be done by reducing the gold reserves back of bills, or the amount or fineness of gold in coins, by going off the gold standard entirely, by free coinage of silver, or by an arbitrary fixing of the value of silver compared with gold, or simply by printing paper money without any backing. It may also take the form of lending money by the government to banks, railroads, or municipalities at abnormally low rates of interest, or on securities of doubtful, or uncertain value. It may be dressed up as farm aid, or may appear in the form of a public works program. All of these are actual inflationary measures, whatever their title may be.

Personally I have no objection to inflation, providing it is not uncontrolled monetary inflation and any monetary inflation is hard to control. I still believe that the best form of inflation is a large national public works bond issue, sold with a patriotic appeal in small denominations to the public so as to enlist the cooperation of all who can, in any way, afford to buy, for the purpose of creating work for the unemployed at decent wages on worth while projects of permanent value, thus drawing money out of hiding and getting it into circulation, and starting the wheels of industry turning.

It should not be forgotten that home relief and work relief, the dole, and the disguised dole, are also forms of inflation. We are drifting deeper and deeper into these undesirable forms of relief. Cities and states are depending more and more on the Federal government for funds for these purposes. The additional five hundred million dollars recently provided by Congress is only a sop. Within another month there will be no more self-liquidating projects of any size which can be presented at Washington. I don't believe that the broadening of the sections of the act which provides for self-liquidating projects, so as to include all public works projects which are needful and in the public interest, will accomplish anything so long as adequate security must be offered, for the simple reason that throughout the country taxpayers are opposed to adding to the debt of municipalities for any purpose whatever, excepting relief.

Under these conditions the best thing to do is to have a large Federal public works bond issue and provide money for federal public works and federal highway aid to states and at least in part, by outright gift or subsidy to the states and municipalities for important local public works projects under proper Federal supervision. We should certainly try this before we rely on monetary inflation, to lift us out of the depression.

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PROSIT

NOW THAT BEER and very light wine are back, let us drink a toast to the organized prohibitionists who have deprived us, for over thirteen years, of the revenues from the sale of mild and healthful beverages which we have now suddenly discovered to be non-intoxicating within the meaning and intent of the 18th Amendment. If history records a greater farce than this in the annals of constitutional government, it has escaped my notice.

The organized drys who drafted the 18th Amendment were both shrewd and unscrupulous. I once asked one of their leaders why they did not use the words "alcoholic beverages" in the Amendment, instead of "intoxicating liquors." The answer was that they knew that Congress would not pass, and the states would not adopt, an amendment which would automatically bar out non-intoxicating beverages, such as beer. As soon as the Amendment passed, however, they proceeded by indirection to accomplish that which they had always had in mind. They simply drew the Volstead Act in such a way as to rule out all beverages containing more than one-half of one per cent of alcohol, and they used as the basis for the half per cent limitation the old Excise Law of New York State, which, of course, defined alcoholic content for a totally different purpose. At this stage of the game the people of the country suddenly found out that "intoxicating liquor" did not mean intoxicating liquor, but had a new definition which was spelled out by the professional prohibitionists as follows:

"The word 'liquor,' or the phrase 'intoxicating liquor,' shall be construed to include alcohol, brandy, whisky, rum, gin, beer, ale and wine, and in addition thereto any spirituous, vinous, malt, or fermented liquor, liquids and compounds, whether medicated, proprietary, patented, or not, and by whatever name called, containing one-half of one per centum or more of alcohol by volume which are fit for use for beverage purposes."

Under this bureaucratic edict, the brewing of beer was not permitted, and physicians were required to obtain permits and were prohibited from prescribing more than one pint of spirituous liquor to be taken internally by the same person within any period of ten days. It was a great field day for Wayne Wheeler and the rest of the dry bill drafters.

Now after thirteen years, Congress has decided that the 18th Amendment was a mistake, and that whether it was a mistake or not, it never was intended to prevent the brewing of beer and the making of light wine. Congress has also decided that physicians should be allowed to prescribe liquor freely for their patients and that the old licensing and "pint-every-ten-days" stuff was all wrong.

As an indication of the wisdom and prophetic insight of the anti-saloon fraternity in ruling out beer, I commend readers to a news article in the *"New York Times"* of Monday, April 10th, following the first Sunday on which beer could be sold legally. The *Times* of that date said:

"With legal beer added to its Sunday attractions for the first time in thirteen years, Coney Island enjoyed a big day yesterday. More than 400,000 persons visited the resort, basked in the warm sunshine, stood four and five deep around the bars drinking the new 3.2 per cent brew, and sat in family parties around tables in the beer gardens. . . . Police records for Manhattan and the the Bronx showed a decrease in cases of alcoholism this week-end compared with last week. From 12:01 A.M. Friday to 6:30 last night there were twenty cases against thirty-nine cases the previous weekend. Only one of the twenty cases was regarded as serious. No case reported this week-end could be attributed to the new beer, according to the police. No arrests for driving while intoxicated were recorded."

If this article means anything, it means that in probably the most crowded resort in the country, where all sorts of terrible conditions were supposed to be produced by the sale of beer, the return of legal beer produced order instead of disorder, drove out stronger liquor and gave a great deal of harmless pleasure to decent people on a day's outing.

Well, here's to Congressman Volstead and the other half-percenters: *Prosit! Skoal! Down the Hatch!*

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RURAL GOVERNMENT

IN THE LAST ISSUE of NEW OUTLOOK there was an interesting article by Edward M. Barrows on the coming tax rebellion, in which he called attention to the awakened interest of the taxpayers over the cost and the functioning of local government, particularly in rural and suburban communities. By way of illustration he told the story of the taxpayers' rebellion in Orange County, a semi-rural county on the west bank of the Hudson in New York State. Taxpayers in this community, like those in thousands of other communities all over the country, suddenly discovered that they were living under a most wasteful and obsolete county, town and local government, inherited from colonial times and dating back to the era when most local business was transacted in town meetings. The taxpayers of Orange County succeeded in making a great dent in local expenditures, but when they got down to the essential problem of modernizing their government they found they were up against the state constitution, which freezes the justification for the Board of Supervisors, the Town Board, the Justices of the Peace, the Sheriffs and other county officers and that of a horde of other functionaries, into the fundamental law.

The taxpayers now realize that they must amend the constitution to accomplish any permanent results. Only two counties in New York State out of sixty-two have the right to reorganize and consolidate their governments at the present time, namely Westchester and Nassau, two great suburban communities adjacent to New York City, and even these two counties, in the ten years they have had the constitutional right to reorganize, have not succeeded in bringing about the adoption of charters by local referendum.

In the meantime these two counties have practically doubled in population. To make matters worse Nassau now has some fifty villages, about half of them incorporated in the last ten years. Whenever the owners of a few estates get the urge to do so they incorporate as a village and lift themselves out of the town government. All they need is a lawyer, a notary public, a copy of the charter of the next village, and a dozen residents

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—and the deed is done. The new village then proceeds to elect officers, appoint a few policemen and other employees, dress them up in uniform, zone the village against all business and industry, prevent parking of automobiles on the roads, and the community thereafter has all the aspects of one great, private estate. From a larger point of view the result is greater duplication of government districts, more overlapping functions, complete absence of central authority and central planning, and a mass of public authorities the existence for which no human being can understand.

This sort of thing has been going on all over the country. The machinery of the national government needs reorganizing, and is about to get it. The state governments, generally speaking, are fairly efficient. Even city administration, which has been the butt of all sorts of criticism and ridicule because it is so conspicuous, is a paradise of efficiency compared to county, town, and village government, and local school administration, which is the real jungle of American politics. When we get over the absurd idea that all virtue resides in the county, we shall be in a fair way of solving one of the greatest problems of the taxpayer.

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THE FUTURE OF THE R. F. C.

RECENT CONSTRUCTION ACTION by the Reconstruction Finance Corporation in several directions should not blind us to the defects in this organization. What I have to say on this subject is not due to any lack of appreciation for the recent approval by the R. F. C. directors of several important New York State self-liquidating projects, which I had the privilege of presenting at Washington on behalf of the State of New York, or to a lack of understanding of the difficulties under which they have labored conscientiously and faithfully, day and night.

There can be no doubt of the usefulness and public approval of the New York projects. The new Jones Beach Causeway will provide additional traffic facilities for one of the greatest ocean playgrounds in the world. The Catskill Bridge will furnish a much-needed Hudson River crossing between Poughkeepsie and Albany, and the midtown tunnel will be completed at just about the time when the present tunnel is becoming over-burdened. The Grand Island Bridges will open up a magnificent playground for the people of Buffalo and the entire Niagara frontier. The new Westchester parkway will relieve the enormous New England traffic which for more than a century has been rolling over the old Boston Post Road. The "lung block" housing loan will demolish old rookeries condemned as unfit for human habitation more than forty years ago, and will permit the construction of new housing on modern standards, restoring the purchasing power of the unemployed, and giving work to the building material industries.

The approval of these projects should not, however, blind us to the fact that to date only twenty million dollars has actually been spent by the R. F. C. on self-liquidating projects. It is high time that all remaining projects of this sort should be put under way without further delay, and under conditions which will enable the applicants to make the same speed and progress which accompany private construction in normal times.

My mature conclusion as to the R. F. C. is that it has out-lived its usefulness. It was given too many conflicting functions in the first instance, and the organization was always top-heavy. The original functions in the Reconstruction Finance Act of lending money to banks and other institutions should be transferred as promptly as possible to the Federal Reserve Board, or to some other central banking agency in connection with the reorganization and unification of the entire national banking system. The relief functions have already been very wisely transferred by the President to a Director General of Relief. The public works functions should be transferred to a Public Works Administrator, or Director General of Public Works. With these transfers accomplished, the R. F. C. should go out of business.

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A LESSON IN GOVERNMENT

A YEAR AGO last fall the people of the State of New York adopted a constitutional amendment making it mandatory for the legislature, each year for eleven years, to appropriate sums ranging from a million to two million dollars for the purchase of lands and the planting of trees, in connection with an elaborate reforestation program. At the time the amendment was submitted to the people, I spoke and wrote against it. I warned the people that it was the first time in the history of the country that any state had written such an absurd provision *into its constitution,* practically requiring the legislature to appropriate money out of taxes, whether the money was available or not, whether it was needed or not, and whether the people, on due consideration, wanted it appropriated or not. I also pointed out grave objections to the reforestation program itself, expressed a doubt that it would ever be a paying proposition, and predicted a complete shift in public opinion on the subject.

What has happened within one year? The State finds itself hard-pressed for funds to meet its absolute needs and obligations, and forced to adopt new and higher taxes. One of the most absurd expenses it has to face is the appropriation of $1,200,000 for reforestation to carry out the constitutional mandate enthusiastically voted by the people in the fall of 1931. The Governor does not want to ignore the constitution, and therefore recommends this item to the legislature. The legislative leaders are afraid to throw it out entirely, and equally afraid to put it in, so they compromise with the constitution by cutting the required appropriation of $1,200,000 to $240,000, and they provide this fund out of bond issue money, in the face of the fact that the constitution says it shall be taken out of ordinary funds in the state treasury.

Obviously nobody can mandamus the legislature after it has gone home to appropriate the difference, or to take it out of the treasury without an appropriation, but as an illustration of how to bring the constitution into disrepute and contempt, New York's recent experience with its reforestation amendment is a prize example. It is a warning to other states not to write stump speeches and promises of appropriations into the constitution at the behest of a handful of enthusiasts who are able to sell the public a gold brick.

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BLUE SKY LAWS

THE PRESIDENT, in an admirable message, has recommended a Federal blue sky law, which will insure proper consideration by Federal authorities of all issues of securities for public sale across state lines. Similar legislation should be adopted by all states which at present lack adequate blue sky laws.

In most states, the blue sky laws are of less than no value because they delude the people into believing that there is a government agency which protects them from being swindled by irresponsible, or crooked, bond and stock issues, when as a matter of fact the law is so weak, or the administration so inadequate, as to afford no protection whatever.

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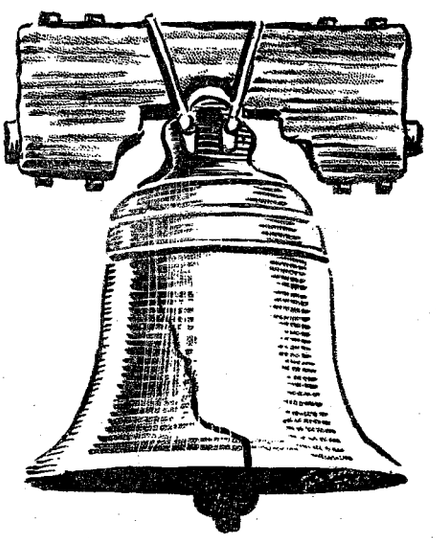
LABOR LEGISLATION

THIS IS THE TIME for progressive legislation in the interest of labor. I realize that there is a good deal of opinion to the contrary. Not only the reactionaries, the Bourbons, and those who believe in rugged individualism, but also some intelligent progressive leaders contend that we should wait until the present crisis is over before attempting to adjust labor laws to new standards.

I cannot subscribe to this theory. The time to make adjustments is when the public is fully aroused to the need for changes. This is the time for laws setting up compulsory unemployment insurance funds, minimum wage laws for women in industry, statutes to prevent the labor of children, and legislation permanently establishing the shorter working day and week for the laboring man. There has been endless study of these questions. How far failure to grapple with them is responsible for the depth of the present depression, no one can say, but that such failure has had substantial effects, no reasonable observer will deny.

We need not make all of the new laws effective immediately. Unemployment insurance funds need not be set up today, or tomorrow, but a law should be passed in each state declaring it to be the purpose and intent of the state to begin unemployment insurance as soon as industry picks up. In New York State, for example, Governor Lehman has suggested that proposed legislation for unemployment reserves should contain a provision that contributions by employers shall not be payable until sixty days after a proclamation by the Governor, such proclamation to be based on the certificate of the State Industrial Commissioner that there has been an increase of at least twenty points in the index number of factory payrolls, and in no case to be effective before July 1, 1934. I believe that minimum wage legislation, on the other hand, should be effective immediately, as should the provisions against child labor and for the shorter working day and week.

It is the hope of the reactionary to postpone such legislation until conditions are better, and until the normal indifference of the average taxpayer is restored. To the progressive citizen who wants more time for study, I say that the shelves of legislative libraries are filled with reports on these subjects covered with an inch of dust. The time to legislate on these subjects is now.



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The Road Away from Here

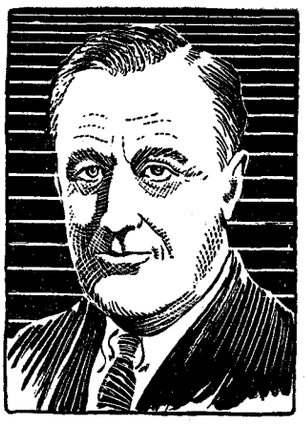
By Anne O'Hare McCormick

Is the New Deal a new American revolution? Mrs. Anne O'Hare McCormick, well known for her writings on national and international affairs, presents a study of the first month of operation of the New Deal.

WHERE ARE WE GOING with the New Deal? Already it seems a long time since we started; in a few weeks we have traveled so fast and so far that we begin to feel towards time a little as do personally conducted tourists whirled from point to point in a crowded itinerary. We are, in fact, being personally conducted; in a sense we are away from home, if by home is meant the familiar corner of Main Street and the National Highway, the corner around which, one way or another, prosperity has been lurking for the past three years—always just out of sight. Mr. Hoover often described that crucial intersection. Mr. Roosevelt used it as a point of departure. It is the "crossroads" where we have been standing—through a good many political speeches, through issue after issue of economic plans and forecasts, through vicissitudes that have reduced us to exchanges of quotations other than market quotations, and finally to a frugal but very risky form of speculation, in the margins of the mind.

Now we have made the turn. There can be no doubt that the movement we witness today in the United States is a change of direction, a more or less conscious choice of direction. We are on our way, cheerful as the boys pushing off to the Conservation camps, enlivened as the American invariably becomes as soon as he is *en route*—going somewhere.

From his dramatic entrance on the national scene to the present moment, the new President has succeeded in imparting to a weary and discouraged people the sense that they are doing things and going places. He has made government an interesting, even an exciting, spectacle, not the less so because up to date it has been largely a personal performance. He began by surprising the country by swift decisions and a boldness in action even his advisers were not prepared for. He kept on surprising: by the ease and audacity with which he obtained from Congress an almost unlimited grant of executive power; by his speed in enacting a program of the most complex and sweeping reforms, financial, agricultural, governmental. His drive to get what he wants, while he can, furnishes a display of political skill and quick-wittedness—the artist at home in his medium—which the gallery has not enjoyed for many a day.



Most of his reforms only fulfill pledges written into the Democratic platform. Mr. Roosevelt takes off from firm and safe political ground, insisting that by the end of the special session all but the most controversial issues of the party program (old stand-bys like prohibition repeal and the World Court, which take time because the Senators know their speeches by heart) shall be translated into action. And this seems to surprise more than anything; everybody is startled to see a party platform come to life. Congress surprises; with an unguessed capacity for mass production, at this writing, it has passed a maximum amount of important legislation with the all-time minimum of debate. For the first time an Attorney General has to work night and day studying the legal aspects of proposed measures. This is partly because many are without precedent, partly because of the rush, but mostly because they all originate in the White House and not, as heretofore, in the legislative body. The whole Administration works over-time, indeed, to keep up with the President. In spreading employment and unemployment, in discussing a six-hour day for labor and enforcing an eighteen-hour day for department heads, in slashing budgets and piling up bond issues—billions for relief but not one cent for office furniture!—Washington is the busiest producing center in the country.

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That is one side of the picture: an amazing exhibit of executive energy and accomplishment. As a consequence, the Roosevelt emergency plan is not only pretty fully worked out; a good part of it is in operation. Inevitably it is uneven, in some respects improvised, in others carefully studied, the result of months of fact-finding and dozens of conferences. It is marked by apparent contradictions, obvious concessions to opposite points of view, on one hand a most conservative banking policy and rigid governmental economy, on the other unprecedented appropriations for direct Federal relief and a vast complex of public works. The specifications are neither logical nor complete, and probably never will be; they leave a large leeway for expansion and contraction, revision and changing circumstance. Yet such as they are, they make a pattern. The outlines are plainly discernible. From here it is quite possible to see the line the New Deal will follow, the general direction in which it is headed.

Before pursuing that line, however, it is necessary to glance at the other side of the picture. In the general absorption in the leading role, the real protagonist in the piece is lost sight of. Yet to regard the role played

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by the President, brilliant as it is, as a phenomenon by itself, is to under-rate its significance and that of the great act of transition now in progress. Mr. Roosevelt was no quicker to lead than the people of the United States were quick to rise to his leadership; in that rising of the nation, a mass movement of the popular will to strengthen his, you catch the true meaning of this manifestation. There is more to it than capacity to lead; there is an eagerness to follow amounting to a stampede. If the President surprised the country, he himself was astonished at the mighty echoes and reverberations of his acts. The popular response fortified his purposes and speeded up his plans. Without this support, he never would have gone as far as he has gone. He would hardly have kept Congress in session, or pressed for his full program all at once. Certainly he would not so boldly have assumed international leadership by taking over the direction of the World Economic Conference.

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The point is that the New Deal represents the direction in which America is moving. Mr. Roosevelt heads an army that was already on the march. Taken separately, his prescriptions are by no means indiscriminately swallowed, even by a patient low enough to be willing to try any new doctor and any new pill. The meekness of Congress is not the meekness of subjection, even to a master politician who controls the votes and withholds the patronage. A Congressman from Minnesota, presenting his private plan before the Senate Committee on Agriculture, was asked what he thought of the Administration farm bill. "It's a monstrosity," he answered fervently. "And what did you do about it?" inquired the chairman. "Oh, I voted for it!" he declared with equal fervor. He reminded me of the Republican manufacturer out in Ohio who announced to his men, amid cheers, that wherever Roosevelt went, on wages, work hours, profit-sharing, taxes, he was going to follow, even against his judgment. "My judgment hasn't proved extra good," he added.

What they meant, what is meant by the curiously non-critical and non-partisan attitude towards all the Administration plans, is that specific measures do not greatly matter. It is the general movement that counts, the amalgamation of the national energies. The country is ready to experiment, it is over-ripe for change. The President expresses certain political tendencies, long active but intensified and clarified by the depression, and now dominating the national mind. These tendencies are clearly indicated in the initial acts of the new Administration. If you review the proposals for legislation that have streamed from the White House since March 4th, you perceive that each of them, and all together, express three major trends: first, towards concentration of political power, second, toward more government control and regulation, and third, toward what Mr. Roosevelt describes as "bold experimentation." If where we've gone points out where we're going, then the direction is plainly marked on this first lap of the road.

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The Executive today has more authority, in a broader field, than any of his predecessors, not excluding the war presidents. He is Wall Street, he is the Capitol, to all intents and purposes he is Uncle Sam. He controls the banks, as a prelude to a complete reorganization of the banking system. He has a mandate to do what he pleases with the machinery of the Federal government, and if he had done no more than scratch the veterans' lobby and cut down the government overhead by something like a billion dollars, he has justified his election. By virtue of the Farm Bill, through his secretary for agriculture, he can control the production of the nation's farms and the prices of basic commodities.

Besides this direct power, voted to the President by Congress, and now extended to cover negotiations with other countries on the fundamental questions of monetary stabilization, tariff and international debts, the responsibility of the Executive is increased with every measure that broadens the scope of the Federal government. And such measures multiply all the reconstruction measures. They include the consolidation of all the farm loan agencies into one huge credit pool, backed by a $2,000,000,000 bond issue, the interest guaranteed by the government; the similar bond issue, of equal amount, for re-financing home mortgages; the reorganization of the railroad system under a government commissioner, a coördinator appointed by, and responsible to, the President; the three-point program for government regulation of the securities market, to protect the investor; the project to develop the Tennessee Valley and operate the Muscle Shoals power plant by a Power Authority named by the government.

Some of the plans adopted are frank experiments. The Farm Bill aims by a new method, infinitely complex, to re-establish the long-lost balance between agricultural and other industries and restore the purchasing power of the farm. Here, as in many more of these enormous trial balloons, the administration of the bill is everything; and it should be noted, as illuminating the Roosevelt method, that he collects powers to hold in reserve, or withhold from use, like the extra currency recently printed by the Treasury. Thus the Farm Bill is held in his own hands largely to keep it from getting out of hand! The Tennessee River scheme sounds grandiose, at once an adventure in large-scale regional planning and the creation of a public yard stick to gauge the profits of private power interest, but it begins modestly. Add to these measures the $2,000,000,000 public works program, the direct relief bills, like the $500,000,000 fund to help out localities unable to carry on, the conservation camps for unemployed youth, and you have a drafting of public credit for reconstruction never equaled save by appropriations for war.

Is this dictatorship? Is it a long stride towards a socialized state? Well, you could hardly designate as a dictator a man elected to office by the biggest majority in our history, voted extraordinary powers by the representatives of the people, and proceeding to his omnipotent business with the blessing of the Constitution and the loud cheers of the populace. And Mr. Roosevelt looks and acts like anything but a dictator. To most of

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his countrymen he represents action, the representative of all the people against the representatives of groups and localities. The king against the barons!

Nevertheless, this extraordinary mandate establishes a precedent which should be weighed in relation to the other powers we are concentrating in Washington. If we are enlarging the function of the Presidency, well and good; but we should at least be aware of it. In extending the "eminent domain" of government, either as experiment, or to meet emergency, it should be recognized that we are instituting changes bound to have permanent social consequences. These powers are now conferred voluntarily, with profound relief; they are administered with a virtuosity we have not seen for a long time in the art of government, and as a public trust. It may be that such transfers are the next step in a socializing process that has been going on for decades and will proceed to an inevitable end. Die-hard individualist though he was, Mr. Hoover added impetus to the movement; the Reconstruction Finance Corporation is the parent of this lusty progeny of government credit agencies. Perhaps the New Deal leads to a manager form of government, which is not a negation of the representative system, but a method of applying it, conceivably its final form. In any count, it is important for the traveler to know his destination.

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One thing seems certain: we are moving towards a new definition of democracy. The American representative system is the fine flowering of an agricultural economy. It was the creation of "embattled farmers" and country gentlemen; perhaps it is the last stand of the truly independent citizen, owning his own land and sustained by it. Throughout the country today you hear people anxiously discussing plans for a new order, desiring and intending just what the words imply—order, a re-casting of the political and social system to fit the modern economic set-up. With the migrations and concentrations of industry, the spread of corporate wealth, the wide diffusion of electric power, the dislocations caused by technological change, chain businesses, the unholy flood of credit and debt, the pattern of American life has been transformed in two decades. Private property in the old sense of private control had almost disappeared even before the financial panic demonstrated that the banks own everything—and at that were tottering, crushed under the weight of their own valuations.

Today we are insisting on an assertion of governmental authority against the dictatorship of this new and amorphous kind of power, the power of wealth democratized and distributed as it has never been before, wealth owned by millions in the form of shares, but wealth completely out of the control of its owners. By its very spread and anonymity, corporate-owned wealth is the most irresponsible of all. Granted that the regulatory, the coördinating, the government-lending and government-operating schemes of the Administration push us faster towards a socialized state, it is difficult to see how but by more public control we are to protect the private capital of those who will invest their savings in corporate enterprises, the great American collectives.

Anyway, the changes we lament as independent citizens have already taken place. Their implications stir and prod the American mind. They register in our politics. The seventy-fourth Congress, largely inarticulate as it still is, is a mirror of the social and economic transformations taking place in every section of the land. It is the biggest assembly of Democrats the capital has seen in our times, and the new representatives, most of them new in politics, reflect shifts in interest, changes in accent and alignment, that will show up more clearly in the regular session. There are the "new radicals" from the not-so-solid South, product of the industrial development. There are the crowding Democrats from the Republican Middle West, seldom seen in national gatherings. There are the rebels from the conservative Corn Belt. Compared to the Democratic insurgents, the Progressives are old line conservatives, somehow homeless now, uncertain where to go. Most of the conservatives seem homeless, definitely "dated," the survivors of a period of reaction.

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The present Administration is certainly no more adventurous than Wilson's was; its attack on present problems is very like the fine frenzy of liberal reform that characterized the first term of Wilson. That Democrats appear adventurous only reveals the depths of standpatism from which we emerge. That they are in the majority at this juncture proves that we have emerged, and it is part of the political strategy of President Roosevelt to take advantage of the change to incorporate all the liberal elements in his party and turn it into a permanent majority. That partly explains his cabinet selections, many of his measures, the "non-partisan outlook" old-time Democrats complain of, particularly when they are looking for jobs. He intends to be the exponent of the New Mind in America, the open mind, trying out new formulas, new combinations, in the search for the synthesis of the political philosophy of Thomas Jefferson, the statesman he most admires, and the economic determinism of the 1930's. This search he recognizes as a revolutionary process. He thinks of himself as the leader of a revolution.

Rather, perhaps, he will enact a revolution into law, give it official recognition. For we are in the last phases of a wholly American revolution, a revolution without a leader, without a manifesto, which had no prophets of its own and was uninfluenced by any foreign prophets, Marx, Lenin, Mussolini or any other. By the time we heard of Fascists or Communists, we were long past the stage of development to which any of their old-fashioned dogmas could apply. We are a conservative people, but only in the political sense, only in the sense that we had more than other peoples to conserve, only in the sense that we do not import intellectual concepts, or deal in them much ourselves. In the great mixing bowl between the mountains, we have assimilated a hundred races and none of their ideas. Set a preacher quoting Stalin among our best rebels, the striking spinners of the Tennessee mountains, the sullen farmers of Iowa and the Dakotas, and straightway they turn into "Hundred-Per-Centers." Put "foreign" agitators in a field as fertile as the ranks of the desperate unemployed of Chicago, and in three

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years they accomplish less than one native leader, rising out of their own misery, exhorting to revolt in the words of Lincoln.

Yet do not doubt that as a people, slowly maturing, slowly relinquishing the last illusion of our expansive youth, the illusion of independence, we begin to face the realities of our present situation. It happens that we have developed, in our long isolation, out of vast animal spirits and vast material resources, a type of civilization different from any in the world. In our peculiar political climate, we have grown a mass-mind different from any other mass-mind, for all its standardization more independent, a pioneering mind, not completely tamed, essentially a mobile and adaptable mind. We have developed our own forms of collectivism, strange blends of socialism and capitalism, corporations that point the way to that American synthesis we are creating, the socialized capitalism of the future.

To this impossible mixture—this sand and water—we are on the point of adding lime. Having invented mass production, two-car garages, holding companies and the deferred-payment plan, and having nearly died of them, after long unemployment and our first real agony of thought, we are ingenious enough to make a new concrete and to fashion out of elements, that have never combined, the only sort of political structure that will satisfy Americans. Restless for change—but be sure to call it "new" and not "radical"—they instinctively resist movements out of harmony with their own character, their own tradition, their own diversity. The substance called "America" is fluid, porous, soft in spots, but impregnable. In the end all its Utopias are American. Its revolutions are in part daring departures, in part returns to its own first principles.

That is why Americans take to the New Deal. They have lost confidence in nearly everything but government. They have stagnated in the sight of abundance of all kinds, equipment of all kinds, producing power just as it was. The old gods are dead, the old complacency is gone; the senselessness of their predicament goads them to accept any proposal that seems to make sense. Tired of standing at the crossroads, they have taken the left turn. To say that they are going only in search of work is to do less than justice to the quest for a rational order which as a people we are consciously making. But they will go pretty far in any direction for a chance to work. That will be the test of the New Deal, as it was of the old.

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U. R. A.,—A New American Nation

By Edward M. Barrows

United Regions of America is the new nation which regional and civic planners see emerging in our changed country today. Edward M. Barrows tells how President Roosevelt will give Federal impetus to this economic revolution with his Muscle Shoals program.

THE ENTHUSIASMS OF CANDIDATES too often become the perplexities of Presidents. Candidate Roosevelt, surveying from his private car last summer the heart of the rich Tennessee River region, waxed enthusiastic, and made a statement.

Such a thing has happened with candidates before, and the world has remanied unshaken. But this statement contained certain pregnant phrases which passed almost unnoticed amid the pleasant generalities, band-blaring and flag-flapping which always accompanies such occasions. Mr. Roosevelt was discussing the possibilities of developing, as a unit, the resources of the Tennessee watershed, and he said, "It is merely a case of *applying city planning principles to a larger area.* If it is successful we can apply it to other watersheds, and there are other watersheds in every part of the country."

The President now is acting on the assumption that as candidate he meant literally what he said. Thereby he becomes the first Executive to give reality to the impulse toward wholesale political reorganization of this country which has been gathering a stealthy momentum during recent years. Also, if he carries his ideas to their ultimate conclusion, as the trend of advanced civic thought favors his doing, he will break another political tradition by applying squarely to himself the words of his own message to Congress on the subject. For he will indeed "return to the spirit and vision of the pioneers."

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Applying city planning principles to an interstate area! This implies the subordination of outmoded state and other political boundary lines to the natural boundaries of social and economic interests, which form themselves without regard either to history or to politics. It implies further that the technique for so drastic a reorganization already exists and has proven practicable. Finally, it implies a public familiar enough with the benefits of the new cult of civic planning to accept its emergence as a national policy without raising the outcry of Radicalism.

Now the remarkable fact is that these implications are all valid. Present political boundaries can, and must be dispensed with. Precedents and technique for such trenchant procedure are available. And however politicians and certain special interests may regard it, the President will not lack abundant support from a large population of voters, who will understand his plan from their own experience, and will follow the experiment eagerly. Today most of us live and work together as units of a geographic region, and only secondarily as citizens of a state. The development of local areas for a common civic purpose, which is the crux of economic regional planning, has already proceeded to such an extent that its value as public policy is recognized.

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Events are bringing the reorganization of the United States on a regional basis inevitably nearer each day. Economic pressure is bursting state boundaries, making involuntary political units from fragments of several states. At the same time, development of our natural resources by modern transportation and modern machinery has been vexed and often halted by state lines that owe their existence to tradition alone. The growth of immense cities in places where our forefathers never expected them to grow is forcing community life to develop without regard to county and even state boundaries, often in spite of them. By informal agreement and by formal compacts, communities have managed to prosper in the face of these interferences. But the pressure in some instances is too great and political recognition of our changing economic and social life bids fair to become one of the outstanding developments of the next decade. It is coming peacefully, from the spontaneous efforts of communities and regional interests working independently all over the nation toward a common end. But peacefully or violently, regional organization of the country is upon us as an outcome of natural, orderly social growth.

It is a temptation to refer to this coming reorganization as revolution, for its immediate effect will be tantamount to that. Quite the opposite is the truth. Our city and regional planners would ignore the shadow of our political past, as represented by the boundary lines drawn to meet the social needs of a vanished era. It is more important to perpetuate self-government than the traditional boundary lines which self-government once created. The Colonial organizers devised towns and counties within the limits of great land grants, whose boundaries were generally defined in Europe. These communities were completely self-contained socially, politically, industrially. At Bear Mountain Inn on the lower Hudson River there is an exhibit of a few links of the old chain stretched across the river to impede the movement of British troops during the Revolution. The iron for that chain was mined within walking distance of the spot where the chain was used. It was smelted in a nearby village and the chain was forged by local blacksmiths. This is typical of the extreme

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localization of industry when our eastern political boundaries were fixed. Western boundaries were generally political in origin. They were apt to be drawn on a map by some far-off geographer who knew nothing of the country he was apportioning, in accordance with the dictates of various patriots who were playing political chess with boundary lines as pawns. In an undeveloped country this made little difference, as the frontiersmen were prone to make up their personal boundary lines as they went along.

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But then there came the world revolution wrought by steam. The machine has swept away every vestige of the old social and economic order, but it could not erase political boundaries based on civic interests that no longer exist, and created for benefits long since vanished. There is nothing revolutionary then, in the plans of our far-sighted civic leaders to try and bring our real life interests into harmony again with the political boundaries that are essential to self-government.

The blighting effects of an irrational political control are not less real because they are often hidden. Public discontent with them fastens on externals and takes queer forms of expression. The recent suggestion in the North Dakota legislature that the rest of the Union secede from the seven Northeastern states because of the unfair economic influence of the latter region upon the rest of the country was really a regional protest, and had more substance to it than our flippant newspaper columnists perceived. The remedy proposed was absurd, of course, but the grievance underlying it is taken seriously by leading economists. The proponent of that resolution was expressing his bitter feeling that the Northwest had no chance to create its own regional life so long as it was at the mercy of other sections more strongly fortified. That same feeling was plainly expressed at the recent Regional Conference in New York, but the speakers there, being better informed, were able to go deeper than the North Dakota legislator. They suggested not secession, but *reorganization of the government by regions,* so that each part of the country could promote its own interests and prevent their exploitation from distant sources. On the main issue the economist and the ruralist agreed. Their methods of meeting the issue alone differed.

This concept of regionalism is an outgrowth of the city and regional planning which has become firmly imbedded in our civic consciousness in recent years. In simplest terms, regional planning is an attempt to base political control upon the social structure and natural resources of a given community or region, instead of on the geographic boundaries that were fixed to meet the conditions of the country's youth. This involves many changes in our civil organization, and even in our electoral system, which are not germane here.

The far-reaching implications of regional planning can be indicated by two examples, one civic and the other economic. The world's largest land-locked harbor at present comprises that network of rivers, channels and estuaries where the Hudson River and Long Island Sound join to form New York Bay and its tributaries. The southern and western shore lines of this harbor are parts of New Jersey. The northern and eastern shores and most of the important islands belong to New York. A host of cities and small towns, whose populations merge one into the other, have basic jurisdiction over the coast line. Above them come the counties of which these communities are parts. The counties are subordinate to their respective states and over all the Federal government exercises its constitutional rights to jurisdiction over navigable waters. Thus a whole hierarchy of independent, subordinate and over-lapping governments of every character have been concerned in the development of this one great waterway. Since Colonial days New York harbor has been the scene of bitter state rivalries and of community jealousies and self-interests which prevented its development as a unit. In 1835 an agreement was reached between New Jersey and New York defining the rights of each state in these waters, but no provision was made for any development of harbor facilities. The agreement was in effect a statement of terms under which each state would mind its own business.

Now regional planning has come to the rescue of New York Harbor. The old compact has been revived and extended by identical legislative action in the two states, and made to include the constructive development of the harbor as a whole. It has set up a body known as the Port of New York Authority maintained by both states and given complete jurisdiction over all matters affecting not only navigation and harbor facilities, but all related transportation ways over which the states have eminent domain; this over a wide area on all sides of the water. With these extensive powers, the Port Authority, in limits a separate state, has created a unified system of channels, docks, warehouses, tunnels, belt lines, bridges and motor highways planned to take care of this region for many years to come. The new George Washington bridge with its miles of concrete approaches, the Vehicular Tunnel, many new warehouses and pier improvements already stand as monuments to the success of this move to ignore the state and town lines of a hundred years ago in order to deal with the realities of today.

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Down in the Southwest one of America's four major oil fields underlies portions of three different states—Texas, Oklahoma and Kansas. Oil producers in that distracted section take their oil from the same regional source, but must compete with each other in its sale under three different sets of state laws. The result is disastrous to the oil industry, to this country's conservation plans, and ultimately to the citizens of the states involved. But whenever an interstate compact for uniform oil legislation is attempted, selfish interests interfere and the economic throat-cutting goes cheerfully forward. Yet the distinction between the Texas, Oklahoma and Kansas oil fields is purely one of imaginary state lines, some of them drawn nearly a century ago in the interests of a factional fight over slavery!

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These two examples suggest that regional planning is an outgrowth of two different sets of conditions, civic and economic; also that it is not an organized "movement" constructed synthetically by sociologists and applied from the top downward. It is not in any organic sense a movement at all. It comes independently to the aid of local conditions, as for instance when the rapid growth of population has created metropolitan centers of which the original city is only an integral part. City planners study population trends and devise means for taking care of the whole area as a unit. Frequently these areas overlap, not only county boundaries, but those of states as well. A recent report of the Chicago City Planning Commission, prepared by Dr. Charles E. Merriam, revealed that the Chicago metropolitan area contains over 1,600 independent governments, often overlapping in their functions, and always adding to the civic confusion of that rapidly growing city. The Chicago area extends from Kenosha, Wis., on the north, to Logansport, Ind., on the south, and involves several counties in Illinois.

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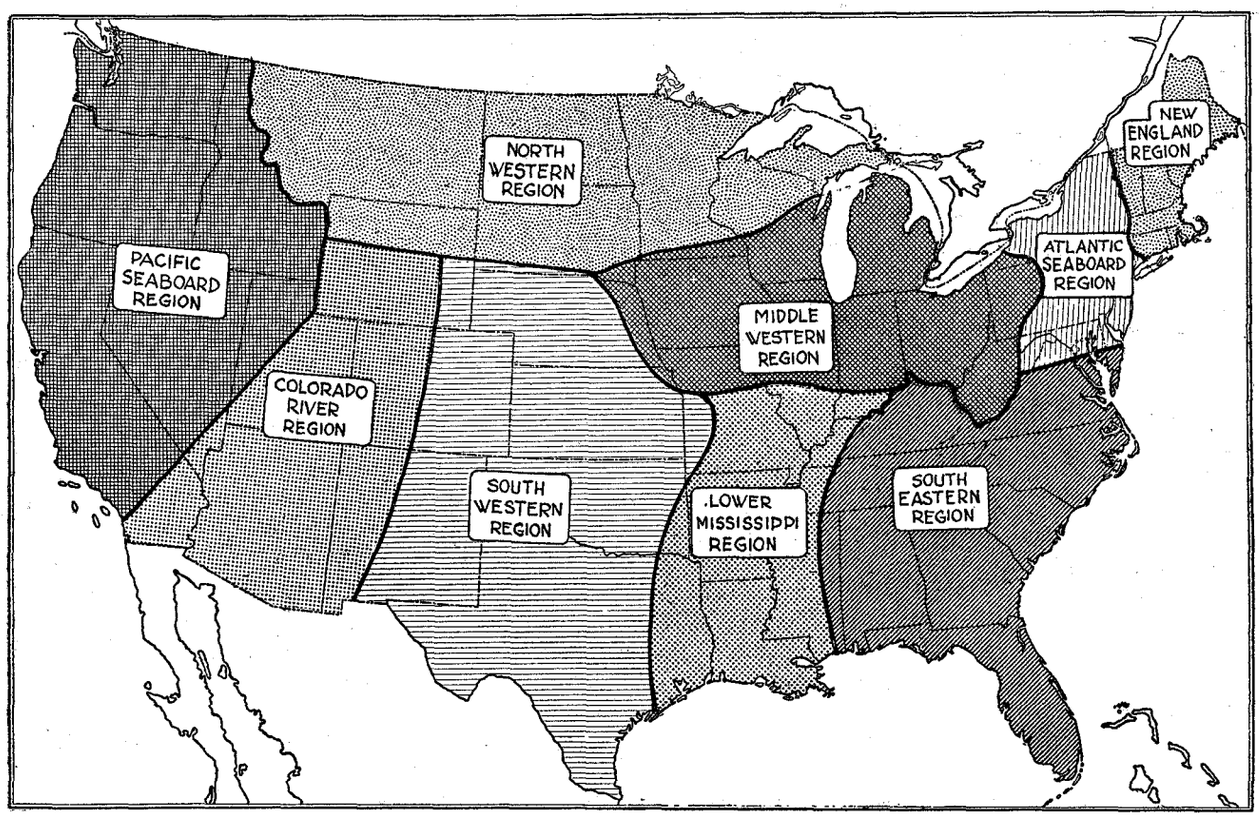
Among other recommendations Dr. Merriam suggests that this situation be met by creating a new State of Chicago, composed of parts of Wisconsin, Illinois and Indiana, so that the people of that region can work out their own economic destinies unhampered by the artificial barriers that now divide them and subject them to the control of forces alien to the city. Chicago is no exception in its troubles of municipal growth. Practically every large city in the country is facing a similar problem and is trying to deal with it by unit organization of the surrounding regions. Non-urban counties are attempting the same thing. In the evolution from cities to metropolitan areas there has been more constructive leadership than in any other phase of regional development. The National Municipal League, among others, has been urging city planning as a policy upon American cities for many years, and when regional development became a factor in civic reform, this organization was able to take the lead and weld the various ideas being put into effect in different cities into something like a definite plan of procedure.

THE UNITED REGIONS OF AMERICA



How a map of the country might appear if social and economic values, instead of tradition, determined governmental boundaries

Business and industrial America is dealing with the same problem in much the same way. For example there are the milk-sheds. Every important city in the country obtains its milk from a definite region. The boundaries of these regions are not fixed by law, but by the experience of the dairymen in supplying milk that will conform to the Public Health requirements of a key city at a minimum expense in handling and transportation. Thus the New York City milk-shed extends into New Jersey and Pennsylvania; the Boston milk-shed ranges northward into Maine, New Hampshire and Vermont; the Pittsburgh milk-shed includes parts of Ohio and New York, and so on. Within these milk-sheds the dairymen organize in their own interests, and their troubles with political boundaries obviously are many.

On a larger scale we observe the troubles of the coal producers. They are obliged to compete with each other

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in selling coal derived from a single coal field located so that it falls under two or more sets of state laws. The oil industry faces the same confusion. For years oil producers in the Rocky Mountain states have struggled to create an interstate compact under which production in an entire region could be controlled under a single set of laws, but personal interests enlist political support and in the end such a makeshift substitute for an Economic Region is worthless. The same difficulties confront distribution. One of the great national chain stores is reported recently to have broken up its nation-wide system into a series of regional companies, each company supplying its own region according to local needs instead of under a central national policy. The recently announced Ford policy of substituting local and regional factories for its great central plant is another example of this trend in industry. The point is that American life in all its phases is feeling the burden of carrying into this machine age the political system devised for an outmoded way of living. For years the people have tried to meet this burden by ignoring political boundaries with over-riding compacts and agreements, but the limit of this kind of compromise is about reached.

The next step forward is already being taken. Seven years ago a body of New England civic leaders and business men realized the identity of interests of the dwellers in the six states east of the Hudson river valley. They organized the New England Council, which included the governors of the states involved, and of representatives of every important line of industry and social development in that region. The New England Council regards New England as one American unit—as an unofficial state, in fact. Its powers naturally are limited, but its success within these limits is leading New Englanders to think seriously of what could happen if a central regional body could be given civil authority to supersede the six state governments now operating under six separate sets of laws. Recently a Southeastern Council has been organized with somewhat similar aims. In the West a Mountain State Council and a Pacific Council are in process of organization.

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Thus far has the regional organization idea advanced concretely in this country. But further plans are afoot. In a Regional Conference held recently at New York University two plans for national reorganization by regions were presented, one by Dr. Burdette J. Lewis, former Commissioner of Corrections of New York City, and the other by Dr. Roy V. Peel of New York University. Dr. Lewis's plan was offered for immediate practical action. He divides the country into six regions with a Regional Council at the head of each. Instead of by local representation, the Regional Council is chosen from the various industries and the professional, social and labor interests of the whole region. This Council passes on all state legislation affecting a given region as a whole, and the Regional government has important powers in all matters germane to the welfare of the region, or of any of its component interests. A Regional Judiciary is also provided. It is a government based on human needs, placed in the hands of experts in dealing with those needs, rather than a government of localities in the hands of representatives of localities, as is the American system at present. Finally the Lewis plan includes a National Council—in effect a third House of Congress—of representatives of the six regions reinforced by Cabinet members, ex-presidents and other specified members of the Federal economic and scientific service. The National Council would have power to pass on legislation involving the industrial and economic welfare of the country, and also important powers of review.

Dr. Peel's plan divides the country into nine regions, and ignores state lines altogether in favor of reorganization by distinct industrial, economic and metropolitan spheres of influence. It also contemplates regional reorganization of the country, and national representation of the regions in a central body. Internal administration of each region is through a central executive authority, and a legislative assembly representing both local and regional interests. Unlike the Lewis plan, it was presented more as a goal for future attainment than as a suggestion for immediate action.

Other plans for regional organization of the nation are being advocated from different sources. They characterize the way in which public leadership in the United States is coming to recognize the necessity of a more efficient form of social control.

There has been no attempt to introduce this kind of regional government into the Federal system. Yet regionalism in recent years has come to be so powerful a feature in Federal adminstration that the introduction of this theory into the Legislative branch at Washington would be nothing revolutionary. The New Deal plan for the railroads includes a proposal for treating the national transportation plan regionally. The War Department divides the country into fourteen administrative areas. Prohibition enforcement was attempted on strictly regional lines, and in fairness it must be said that its failure was due, not to the administrative system, but to the overwhelming opposition in every region.

The Federal Reserve system approaches true economic regionalism in its organization. It has divided the country into twelve regions, based primarily on the flow of currency to and from certain key cities, and upon the industrial and business implications behind that flow. The Federal Reserve regional lines practically ignore state boundaries. For instance, District No. 1 follows the watershed dividing the Hudson and Connecticut river valley to the New York metropolitan district, which logically relates to New York City. Thus it includes all New England except Fairfield county, Connecticut, which is in District No. 2. Elsewhere it cuts certain states almost in half, and some districts comprise many fragments of states.

This leads us back to the Roosevelt proposal for Federal development of the Tennessee river area. What is proposed is social and economic regionalism in its fullest sense, and if this is done, political regionalism, including self-government, must inevitably follow. The facts about the Tennessee watershed have long been obscured by the single question of government ownership at Muscle Shoals. The Tennessee river has source tributaries in Virginia and North Carolina. It flows southward through east Tennessee to the Georgia line, thence into Alabama and Mississippi, and then turns northward, crossing Tennessee a second time and thence through Kentucky into the Ohio river.

In the southern reaches of the river a series of rapids,

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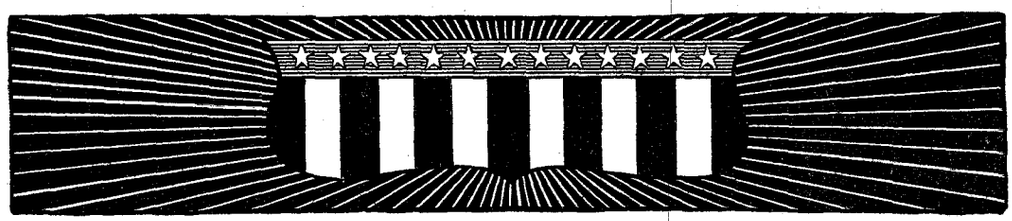
of which Muscle Shoals is the center, has a total drop of approximately 500 feet. It is around this area that the water power controversy is raging. Yet the rich possibilities of the entire Tennessee watershed have been commented on by scientists, explorers and industrial promoters for over a century. It has vast forest areas, great reserves of coal and iron and lesser minerals, and unlimited agricultural possibilities.

If President Roosevelt carries out his announced intention of developing this entire watershed as a unit, he must deal with four different states having four different sets of laws and administrative systems and tax budgets and political scandals, that claim sovereign rights in the watershed. Two more states have constitutional rights in the Tennessee River as a navigable stream. American politics being what they are, some good Presidential headaches may be among the first bi-products of the newly organized watershed. The region is a natural unit and its development as such is manifest common sense. Yet there are the six states!

Theoretically there are three ways out. A series of interstate compacts can be made under the constitution, such as has created the Port of New York Authority. A devious and time-consuming business. The river may be developed as a navigable stream under Federal control, and by implied necessity, by stretching of Federal powers until they crack, and by other legal-political hocus-pocus, this control may be extended to cover the watershed in all its aspects. Good practical politics, but poor public policy. Finally, the President may move to create an independent state of the region, just as the Merriam report suggests doing with the Chicago area. This would be common sense, but hopelessly opposed to by a horde of local, state, political and personal interests. No matter what method is tried, it is hard to see how some sort of machinery for self-government by the citizens of the United Region can fairly be avoided. In that case we shall see full-fledged the first small unit of the United Regions of America.

So we have the status of regionalism in America today. Cities and counties by the hundreds already are planning their destinies on lines of present day interests, instead of on ancient and artificial political boundaries. Industry is reorganizing, in some cases decentralizing, to develop regional possibilities to the utmost, again regardless of political boundaries. Interstate areas are consolidating through common necessities. Two regional councils already are in effective operation while several others are developing. Federal and state governments have learned the value of regional administration and are putting their lessons into effect. The discontent of the masses over evidences of sectional advantage based on state lines is being answered with the carefully prepared plans of economists who express that same discontent with practical suggestions of reorganizing the nation by regions. United Regions of America is no dream of the far future. It is upon us even now, ready to crystallize into national form.



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Written in Aluminum

By Frederick R. Barkley

Frederick R. Barkley, who discusses the manner of the growth of the "perfect monopoly," is a member of the Washington staff of the "Baltimore Sun."

PROBABLY NO ONE ever traveled over a railroad line so geometrically direct and unswerving as those usually depicted in railroad time-table maps. These feats of imaginative topographers may deceive the innocent, but they merely provide smiles for the cognoscenti.

There exists in the picture of American industry today, however, something even more perfect than these undeviating figments—but it is nothing to smile over. The deadly serious comparison is the impeccably horizontal streak found on any graph of commodity prices to indicate the price of aluminum—the "wonder metal"—over the last half dozen years of prosperity and depression alike.

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That straight line, contrasting with the frantic downward zig-zaggings of every other index, summarizes as perhaps nothing else could the story of the perfect industrial monopoly. For as monopolies go, Mr. Andrew W. Mellon's aluminum industry is like the girl in the popular song—it "has everything." No legislative favor that a complaisant Government can grant seems to have been denied it. It has had them all—patent monopoly, raw material monopoly, tariff monopoly, monopoly of the electric power used to produce the metal—and on top of these, generous tax refunds, amazing immunity from legal assault, and, through no little of its history, a highly potent representative within the Government itself.

It is no wonder that Senators, observing the unassailable price level maintained by this monopolized metal through the last three years of depression, have suggested on the Senate floor that it should be supplanted for gold as our monetary base.

The story of how this great monopoly has achieved its impregnable position illustrates brilliantly the application of those sound American principles which have raised this country to its present eminence—as the nation with the greatest wealth and the greatest unemployment, the greatest supply of commodities and the greatest deprivation, the greatest industrial ingenuity and the greatest industrial stagnation, existing anywhere in the Western world.

It is true that the industry has had to contend with the pin-pricks of petty bureaucrats and politicians, and of hungry potential rivals, throughout its forty-odd years of existence. But up to this good day, it has risen triumphant above them all. In these victories lie many an admirable lesson for the young.

Aluminum was first extracted from the raw base—bauxite clay—in the early decades of the last century. Its industrial value, because of its lightness, non-tarnishing and malleability, was soon realized, but as late as 1884 the Government had to pay $16 a pound for the aluminum cap which finished off the Washington Monument.

Two years later, Charles M. Hall, a brilliant student at Oberlin College, discovered how to obtain the metal from alumina—the intermediate product—by an electrolytic process, and in 1889 he patented the method and interested a group of Pittsburgh capitalists in promoting it. It is said that only $20,000 in cash was invested, and that the present $300,000,000 and more of assets owned by the world-wide structure built up on this investment all represent plowed-in profits from the price charged manufacturers and the public for raw aluminum and finished wares. In addition, there has always been a generous distribution of dividends—uniformly on the 6 per cent preferred and averaging nearly 10 per cent on the common over a seventeen-year period up to 1931. And although a financial writer in the *Magazine of Business,* in 1929, pointed out that the company "has written off its development cost almost as fast as it piled up," *Moody's Manual* shows earnings of better than $18,000,000 a year after taxes and depreciation for the seven years ending with 1930.

Thus the commercial history of aluminum—and thereby of the Aluminum Company of America—began and flourished. The company started off with a patent—and therefore a complete monopoly on American production—and also, like all good little Pennsylvania infant industries, with a tariff of 15 cents a pound.

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It should be interesting at this point to compare the varying tariffs with the average price of crude virgin aluminum on the open market since that time. The figures were compiled by the Federal Trade Commission in 1925.

Under the 15-cent duty from 1890 to 1894, the price of crude averaged 98 cents a pound. Economical production was just being developed. But for the next three years, with the duty dropped to 10 cents, the price dropped to 31 cents. Economical production apparently had been solved. Then came a price drop to 29 cents over the next decade with an 8-cent duty, followed by a further drop from 1910 to 1913 to 22 cents under a seven-cent duty.

The Democratic Underwood Tariff Act reduced the

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duty to the pathetic, unsheltering low of 2 cents a pound, a rate which stood until 1922. With the war and general price inflation, crude jumped to an average of 35 cents. The Company did a big business in war time. However, apparently it learned nothing more about production economies, despite the tremendous general advance in that field in the years that followed. It never even got back to the 1910-1913 price level, except momentarily in the depression of 1921. Then the price dropped to 21 cents, but when the Republicans boosted the duty back to 5 cents a year later, it soared again to 25 cents. From that point, the crude, in 1925-6, dropped a cent and a fraction. Nevertheless, since the latter year it has remained at 23 cents plus, as fixed and unchanging as the Polar star.

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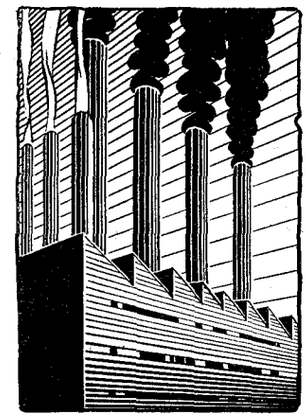
There came a time, of course, (1907), when the patent expired and the perfect monopoly assured by that Governmental grant was no longer available. But the Company, under the wise guidance of Mr. Mellon, had not been napping. It had been doing considerable engineering research work, and it still had the tariff, which remained at 7 cents or more until 1913. And in this period, as in all the years that have followed, it strove earnestly and successfully to build up other bulwarks. Ultimately it was to become again almost as air-tight and complete a monopoly as when it operated under the shelter of the patent.

Observe the splendid structure which confronts an admiring nation in this year 1933. Even without the patent, the Company is still the sole producer of virgin aluminum in the United States—and in Canada as well. The reasons are not hard to find. In Arkansas, Georgia and Tennessee, the Company controls what are said to be, and undoubtedly are, the only commercially usable deposits of bauxite clay in the country. In South America it controls the only developed deposits of the same raw material. It is from these deposits that it now gets the bulk of its bauxite, the American sources, formerly worked extensively, now being held in reserve.

From the South American source, the bauxite is shipped by water to New Orleans, and thence by Government barge line—Mr. Mellon apparently approves this economical Government ownership scheme—to the big reduction plant at East St. Louis. Thence the semi-finished alumina goes to the great smelting plants at Niagara Falls and Massena, N. Y., and to the big Canadian plant at Shawinigan Falls, Quebec. Here are available the large supplies of electric power required in the smelting. The Company owns its power sources at the latter two plants—whereby hang a couple of interesting tales. It has also in recent years erected plants at Alcoa, Tenn., and Baden, N. C., near its bauxite deposits, and in 1929 was reported by Southern newspapers to be planning a $125,000,000 development there, based on its ownership of eight waterpower sites with potential power greater than Niagara.

But this is far from completing the Company's industrial set-up. Besides thus holding all the raw aluminum production facilities in the United States and Canada, it likewise owns, wholly or dominantly, a large group of companies engaged in making aluminum sheet, wire, castings, wrapping foil, paste container tubes, kitchen ware and a hundred other finished products. For the 280,000,000 pounds of aluminum the Company produces annually in this country and Canada—more than half of the entire world production—a tremendous variety of uses are found, ranging all the way from bottle caps to automobile engines and bodies and long-distance power transmission wires.



Nor is even this the entire picture of the "wonder metal" properties of Mr. Mellon and his family and associates. *Moody's Annual* fixed the American company's assets in 1930 at $242,000,000. But to the stockholders of this company in 1928 was given stock which in 1930 represented $64,000,000 worth of foreign holdings. These holdings, according to the same authority, include the Canadian properties, others in Norway and Italy, and in all, as significantly recorded, a "list of about 43 subsidiary and allied companies not available for publication." All these foreign properties are held by a Canadian corporation, Aluminum Limited, a device which enabled this foreign corporation in 1931 to join the world aluminum cartel, or trust, without running afoul of the Sherman Anti-Trust Law.

Spokesmen for the Mellon interests have argued that this scheme was not an evasion, holding that the two groups of properties are now entirely separate. This hardly goes down, however, with discerning commentators like the *Wall Street Journal,* which obviously recognized, in a lengthy article in October, 1931, that in companies so closely held the identity of stockholders in each was practically complete.

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The exact number and interest of these stockholders appears to be somewhat in dispute, although in no essential importance. In 1925, Senator David A. Reed, of Pennsylvania, always an ardent defender of the Mellon family, told the Senate he was sure that Mr. Mellon owned less than 16½ per cent, and that with his brother Richard having the same amount, the two owned less than 33 per cent. He quoted the Justice Department as asserting that the control "appears to rest" in the estate of Mr. Hall, the inventor. The *New York World,* in 1929, however, said that only 25 per cent of the voting stock was held by the Hall estate and that 80 per cent of the balance was held by the Board of Directors, A. W. Mellon and Maria T. Hunt.

The *Wall Street Journal's* 1929 review of the Company's interests and prospects contained some illuminating comments. Its American and foreign bauxite deposits, it said, "remove any concern in this respect for many years to come." The remoteness of raw material from the mills, it added, "has not, however, proved a serious handicap, and is probably more than offset by economies arising from the large quantities of aluminum it produces, and also by its tremendous waterpowers." While the American tariff had "never been high enough to prevent some foreign metal coming into this country, it affords the Aluminum Company a protective wall apparently entirely adequate to meet any preferential cost

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of production in any of the competing countries." As for the export field, it noted, Aluminum Limited's possession of "one of the largest and most efficient waterpowers in the world" and the "low cost" of Canadian labor permitted "competition with producers anywhere in the world." And finally, "the price of aluminum has been remarkably stable over recent years." The writer did not know that it would continue to maintain this same remarkable stability in the face of the worst depression in world history.

Thus, today, stands this behemoth of industrial monopolies, with feet planted firmly on the four corners of the world. But it did not grow to these majestic proportions without struggling manfully, as indicated, against potential rivals and politicians without vision.

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The rivals, it appears, began to creep about almost as soon as the patent monopoly expired. By that time the Company was not only producing crude aluminum pig and semi-finished products such as sheet and wire, but also was manufacturing numerous finished wares. The potential rivals seem to have sought to impinge on every field from the production of the bauxite to the making of kitchen utensils. What the Company did about these subversive efforts seems pretty clearly indicated in the consent decree which the Federal District Court in Pittsburgh clapped on Mr. Mellon's enterprise under the Anti-Trust Law in 1912.

It would take this entire article to list all the practices which this decree ordered halted. The ukase began by declaring void a number of interesting clauses in contracts between the Company and other firms and associations.

One of these clauses neatly divided up the world market between the Company's Canadian subsidiary and the European cartel. The Europeans had kindly agreed to leave the United States as Mr. Mellon's sole preserve.

In another contract, a large chemical company agreed not to resell any bauxite bought from the Mellon firm to anyone who would seek to make aluminum from it. The chemical firm, in addition, agreed to refrain from any such *lese majeste* itself. Then both buddies agreed to boost each other's business, respectively in aluminum and alum.

In another contract, which the Court found obnoxious, a salt company agreed never to make aluminum. In still another, two partners agreed they would refrain for twenty years from either making or selling the precious metal anywhere east of a line drawn through Denver. In return, the contract held out a prospect that they might get jobs with the Company, whereat the selling prohibition would be off. Still another contract permitted a company to mine bauxite provided it went no further into the Mellon preserve.

Then followed a list of eight prohibitions against about every kind of business chicane and intimidation that could be imagined. Most of the forbidden practices appear to have been maintained against competitors of the Company's manufacturing subsidiaries. They included, in the legal phraseology, delaying shipments of material to any competitor without reasonable notice and cause, refusing to ship, or ceasing to continue to ship, on contracts or orders without reasonable cause and notice, purposely delaying bills of lading, charging higher prices to competitors than charged its own subsidiaries, requiring competitors to divulge the terms of contracts with customers as a requisite to getting the raw materials, threatening competitors with a shut-off of supplies if they enlarged their businesses, and so on ad nauseam.

On top of this came the shocking Democratic reduction of the crude tariff to two cents.

For the next ten years, so far as any record of Federal prosecution goes, the Company may have been good —good but greedy. The war added a tremendous Governmental demand to the normal requirements. Bernard M. Baruch recounts in a report of the War Industries Board that the Company patriotically agreed to fill all orders at 38 cents a pound, but that the Federal Trade Commission shortly thereafter found that 32 cents was a fair price. The Company compromised at 33 cents, but after the war ended the Government charged that it had collected more than a million and a half dollars in overcharges. It is now trying to get this back, the case being linked with a suit of the Company for $682,000 for aluminum furnished the Navy and other departments since 1924. The subversive may get an unpatriotic chuckle out of the fact that the hard-boiled Comptroller General of the United States has not only held up payment of this sum for several years, but also of a $555,000 tax refund "pending determination of certain claims asserted by the United States against the plaintiff."

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But beginning in 1912, there was launched against the Company's virtuous seignoiry a threat more potent than any conceived by the little kitchenware makers, or by petty Federal bureaucrats. In that year James B. Duke, with a great fortune made in tobacco and Southern power, was taken by George B. Haskell, another brilliant entrepreneur, to look upon the tremendous waterpowers of the Saguenay River in Quebec. Haskell had an idea that by developing this power a fortune could be made producing aluminum. The Mellons had overlooked Canada up to that time. Duke fell for the plan, and Haskell started for Europe to locate bauxite sources. When he returned, however, he found that Duke had slipped from under; that the Aluminum Company had the power works, and that Duke assertedly had $25,000,000 worth of its stock in his box. But Haskell, being a fighting man, at once sued the tobacco magnate for $40,000,000 civil damages under the Anti-Trust Law, getting a judgment of $8,000,000 which was tripled under the punitive clause of the act. It took the potent services of Charles Evans Hughes, who had just left his Cabinet seat alongside Mr. Mellon, to get the Appeals Court to lift this penalty—a feat in which he was aided by the fact that Duke died about then, and so, in the Court's view, could not be thus punitively assailed.

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Another threat at the perfect monopoly's power had been scotched—and in the bargain a splendid vantage point obtained in the Canadian plant to bid for domination in the world market and over the foreign industries. "An English producer," said the *Wall Street Journal* article, "cannot go into the French market without experiencing a retaliatory effort on the part of the French producer in the English market. Aluminum Limited has relatively little to give up at home—Canada being an inconsequential market—and consequently has established itself as an important factor in many of the European and Far Eastern markets."

Incidentally, some believe the Company executed a similar master-stroke against Henry Ford, a large aluminum user and a presumptive maker, when one Finney, its Washington agent, organized a company back in the 1920's which bid successfully enough for Muscle Shoals to prevent Ford from getting it.

But while industrial competitors were being successfully fought off or taken in, the Company, after the war, began to be increasingly harassed by the politicians and the bureaucrats. Even Mr. Mellon's elevation from lucrative obscurity to the premier post in the Harding-Coolidge-Hoover Cabinets could not entirely prevent it. There had been occasional rumblings before—Speaker Henry T. Rainey, as a humble Congressman, had been assailing the Company's tariff and power-site grabs and its foreign cartel agreements for two decades—but now they became roars. Some critics even went so far as to object to Mr. Mellon being in the Cabinet while his company was selling so extensively to the Government. Senator Reed always indignantly repulsed these cavilings with the assertion that the "Greatest Secretary Since" knew almost nothing of the Company's affairs, and had no part in its management. Perhaps the Senator never saw the picture taken in 1925 and appearing in Mr. Duke's biography, showing these two industrial Sultans and a dozen of their grand viziers looking over the remote Canadian properties. Mr. Mellon probably was on a sightseeing vacation from the Treasury Department.

The roars that rose against the Aluminum Company after Mr. Mellon, perhaps unwisely, took his exposed position on the political ramparts all started quite innocently. In January, 1922, the Senate, noting that the prices of many household wares were not falling like other commodities, asked the Federal Trade Commission to investigate. In the next two years, the Commission drudgingly produced two volumes of reports, to gather dust in hidden files—and then, near the end of the Coolidge re-election campaign of 1924, surprisingly gave birth to a third, containing fifty-seven pages of comment on the price of aluminum cooking utensils.

It was as if this carefully Coolidgeized agency had produced a demon. The fifty-seven pages, not only showed that aluminum utensil prices had remained altitudinous, but bluntly added that the Aluminum Company, the dominant producer, was still engaged in most of the monopolistic practices forbidden in the 1912 consent decree, and a lot more it had thought up since that day. Furthermore, as the public soon learned, the Commission, by unanimous vote, had moved to submit an advance copy of this record to the Justice Department. Optimistic citizens threw up their hats in glee, and Republican paladins roared that it was a deep plot by Bolsheviks, boring from within the Commission, to destroy holy Coolidge prosperity, its chief saint and its most potent prophet.

But there was the evidence—some of the most damning of it in the writing of the Company's own agents.

The utensil business was one of the choicest plums in the Company's basket. American production in 1923, according to the Tariff Commission, had reached approximately $40,000,000, and under the Republican tariff of 1922, only an infinitesimal $291,000 worth of foreign wares scrabbled over the 80 per cent tariff wall. And of this rich American market, a Company subsidiary had the dominant part.

It had done a noble job of protecting its control. Even Attorney-General Harlan F. Stone, who sat right next to Mr. Mellon at the Cabinet table, could not deny that. Without even waiting for Mr. Coolidge to be safely elected, Mr. Stone informed the Trade Commission that he would at once put his assistant in charge of anti-trust prosecutions on the trail.

There was a tremendous fluttering in high Administration circles. But fate conveniently intervened, political sagacity was called into action, and virtue ultimately triumphed. Although Mr. Stone put his chief assistant on the job, that assistant's conception of prompt action was to send the whole three volumes of the general Trade Commission inquiry to a man in Ohio formerly employed by the Department, with instructions to start his sleuthing at the beginning—on household furniture, as it happened. Perhaps this ultimately came to the inconveniently aggressive Attorney-General's attention, and perhaps it didn't. At any rate, when Associate Justice McKenna died, the President, on January 5, summarily hustled his unclubby Cabinet subordinate upstairs into the more rarefied atmosphere of the Supreme Court.

But even that could not be consummated quickly enough to still the fuss completely. Before the Senate got around to confirming Mr. Stone, he wrote the chairman of the Trade Commission asserting that "it is apparent, therefore, that during the time covered by your report, the Aluminum Company violated several provisions of the decree." And to clinch his conclusion that the Company was doing this "with a view to suppressing competition," he quoted repeated complaints of the Company's own Chicago representative regarding defective material being continually shipped to competitors of its utensil subsidiary.

This naive gentlemen, who must have joined the firm since 1912, reported that customers were complaining bitterly about buckled sheet, sheet of varying gauge and dimension, and sheet of almost useless grade because of "the apparent increased quantities of scrap we are putting into it."

"The appearance of the drawn sheet," he complained, "is a direct give-away as to what is going into it." The poor fellow even made a lengthy inspection tour through several of the Company's plants, hoping to correct conditions, the Attorney-General recounted, but his conclusion was, he had reported, that "nothing but careless rolling and more careless inspection" was responsible for the poor grade of output.

But Mr. Stone came to the conclusion that the repeated shipment to competitors of known defective materials, the dumping of large delayed shipments on them

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after they had filled their needs from foreign sources, the shipping of one gauge and withholding another when both were needed, as well as the violations of the 1912 decree, were all designed to cripple or destroy these competitors.

But then this uncomfortable public servant passed out of the scene. And when the Senate, a year later sought to learn why the investigation presumably started by Mr. Stone was not going faster under his noble successor, John Garibaldi Sargent, the latter informed its Judiciary Committee that he had never even heard of the matter until a newspaper man asked him about it eight months after he took office. This worthy, exhumed from the Vermont granite by Mr. Coolidge, added that he did not even know his Cabinet colleague was interested in aluminum. And when the committee called his attention to a memo he had sent his chief assistant a year before instructing the latter to confer with him "before any action whatsoever is taken, or any publicity given" on the aluminum probe, he ingenuously replied that this was all news to him also.

A dozen other squirmings and evasions of similar nature, both by the Justice Department and the Trade Commission, were disclosed on the Senate floor following this inquiry by the late Senator Thomas J. Walsh, of Montana. But a Senate majority agreed with a published statement, issued by the Department in the midst of its alleged inquiry, that the Company was as pure as snow, and Walsh gave up in disgust.

And the Company rolled on through the Coolidge-Hoover heyday to greater profit and glory. Nothing more was heard from the Justice Department, either under Mr. Sargent or William D. Mitchell. The Trade Commission, after virtuously deciding that the Department could not look at the evidence it had gathered up to 1924, launched a new complaint against the Company in 1925, charging it in great detail with numerous violations of the Anti-Trust Laws. But in 1930, it solemnly decided there was nothing in these accusations.

But in spite of this long triumphant march against all obstacles which the Company has made, today there looms an ominous small cloud on its rosy horizon. In 1930, Congress shaved a cent off the crude tariff, and a bit also off the duties on sheet, coil and wire, although it allowed new increases on a few other items. Perhaps it was the first sign of decline. But it has been followed by others probably even more important. In this foul year, 1933, the Democrats came in and Mr. Mellon is not even an Ambassador any more. In this foul year, Mr. Henry Rainey, veteran nemesis of the Company, assumes the Speakership of the House of Representatives. In this foul year, Mr. Oswald F. Schuette, the super-potent publicity man who nagged the Justice Department into breaking up the Radio Corporation, has started camping on the Behemoth's trail. In this foul year, the pugnacious Mr. Haskell, on the trail ever since he was allegedly rooked in the Canadian power deal, has won from the United States Circuit Court of Appeals an order that the Company must show its production costs—the zealously guarded heart and mystery of its being. Mr. Haskell, it seems, is head of a competing machine tool company which he asserts has suffered $3,000,000 in damages from the practices of the Company.

And perhaps most important of all is the fact that the counsel for Mr. Haskell in winning this order—the same man who was also counsel for him in his assault on Mr. Duke—is a gentleman named Homer S. Cummings. By a fate which seemed a master-stroke of fortune for the Company at the moment, the late Senator Walsh was fatally seized just as he was about to assume the office that Mr. Cummings now holds.

But the new Attorney-General knows something about the alleged "perfect monopoly," too.

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Back to Bock!

By Joel Sayre

Joel Sayre, author of "Rackety Rax" and "Hizzoner, the Mayor," and himself an old Gemütlichkeiter, pleads for the polite acceptance of a four-letter Anglo-Saxon word.

WHAT BLESSINGS, has it not been claimed again and again, are to fall now that 3.2 beer is with us! The tottering Treasury is to be buttressed up with 125,000,000 great big tax dollars. State, county and municipal budgets will once more balance. Work will be given to thousands and thousands of the unemployed. Vast quantities of grain, cereals, sugar and other raw produce will be bought from the frenzied farmers and paid for in cash. The coal mines, moribund for more than a decade, will be called upon to furnish a couple of million tons of their special product. The combined building trades, which for the past three years have built little but graves and coffins, will once again swing hammers, wield trowels, smear solder. The glass industry will blow bottles till its eyes bulge out a mile; while the lumber business, so bad last November that Hoover lost the usually solid Republican Pacific Northwest, will fell mighty oaks and saw them into barrel-size boards. Automobile manufacturers will replace the clomping stallions of another day with $12,000,000 worth of snorting trucks. Makers of bottling machinery and bottle caps, coopers, refrigerating engineers and dozens of species of allied practitioners will haul off their shirts and toil far into the night.

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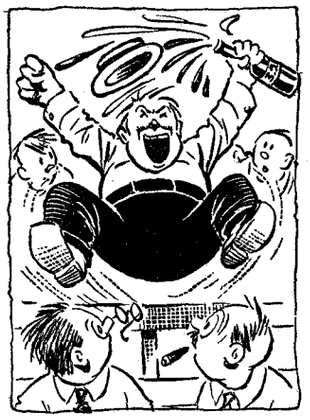
Bankers will come creeping out of the rescue missions, and it will be no time at all, some say, before they have recovered their pristine arrogance. The marketing of desirable parcels and sites for beer palaces and beer gardens and beeratoria of every description will fetch the embattled realtors in from their mountain hideaways. The means for renewed life for restaurants and hotels is at hand. The foul speakeasy will vanish and with it all manner of racketeering. Beer in the bleachers will make organized baseball an even more pleasing spectacle. This nationwide beneficence extends down to the very cattle, for, according to a Professor Fawcett of the animal husbandry department of Massachusetts State College, the wet grains which breweries cast off after their essential juices are wrung from them possess a superior protein content (when dried out)—for corn ensilage. Even bossy will moo for Three Point Two.



And so on, and so on, and so on. Such coast-to-coast, gulf-to-border enthusiasm has seldom been seen since gold was discovered in California. Indeed, if some of the most violent exhorters are to be listened to, this particular year of Our Lord will be known in the future not as 1933 but "'3.2," just as we now speak of "'76" and "'49."

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Well, ours is a business civilization, and let us hope it all turns out as advertised. Scattered among the arm-wavers, though, are sceptics who analyze this current malt madness as merely another instance of our passion for seizing the handiest guglet of panacea and drinking it bottoms up. Friends of complete repeal, too, are sitting on chair edges with crossed fingers and shaking their heads at the rat-wrestles still going on in our State Legislatures over control. Others, statistically inclined, point out that what the beerage can actually do for our ails is merely the clipping of a hangnail or two. Time alone can pick the winner.

But with all these huzzas (regardless of their accuracy) about the manna to be dropped on pump concerns and hop pickers, it seems a pity there hasn't been a little more talk about any possible *Gemütlichkeit* that might be in it for the rest of us. *Gemütlichkeit,* a German word, now obsolete, used to mean something like "an amiable inclination towards one's fellow man." Back in the days before Prohibition reared its hydrant head we had only one satisfactory one-word translation for *Gemütlichkeit.* That word was "beer." Since the early 20's, however, "beer" has not been at all a nice word: in fact it just about became one of those four letter Anglo-Saxon monosyllables little boys scrawl on the backs of garages. So if you kiddies will gather around, pappy'll tell you about *Gemütlichkeit* and its pitifully corrupted synonym.

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"Beer" was the aptest translation of *Gemütlichkeit* when it was Bock. Doubtless some of you little readers think "Bock" is slang for "dollar." But no, no, a thousand times no! Bock was the lovely dark beer brewed in December that had lain through the winter in its cask, storing up strength and tone. When the slush was gone and the rains were ended and the naked twigs started to put forth buds, when the new air made your nostrils itch and the hurdy-gurdies began to bumplety-blump through the streets, when kids commenced to knock out flies on vacant lots and the voice of the circus calliope was heard in the land, then, and only then, was the Bock rolled out.

Every beer dispensary in town, either in its front window, or on a signboard by the main entrance displayed the gaudy billygoat lithograph: Bock, the beast of Bacchus, hoofed leader of the springtime prance. If

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you hadn't happened to see the sign in front, you knew by the colossal pile of kegs against the building's side that winter was really ended. Men flew to bars like flies to liquid honey, and that night they took their happy wives to oak-encrusted beer halls and rathskellers where the orchestras played "The Beautiful Blue Danube," and every time another cask was broached a gong was struck to cheers that hurt the ceiling. All mothers weighing over 200 pounds sent their little Willies scooting to Family Entrances with the Family Growlers.

"Mamma says a dime's woita suds, an' pack 'em in tight."

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What happened to such days, those glorious springs that made it a pleasure to look forward to the coming of another year? There was a genuine gaiety then, instead of the eye-gouging and face-clawing that seem requisite to all modern gatherings, and real laughter in place of the neurotic snarls which pass for it in these times. And it is a matter of record that never in the history of American Bock drinking did anybody get punched in the jaw merely because he happened to be standing there at the moment. In no sense was Bock a battling beverage. Quite the contrary. At a Bock fest you smiled at perfect strangers and they smiled back; you helped them to the free lunch; and quite likely you ended up with them in a fine quartette yodel. Beer in general, and Bock in particular, were the world's greatest inducers of *Gemütlichkeit*. Maybe it's news to you, but *Gemütlichkeit* has been dead by Act of Congress in this dear, distressful country since January 16, 1920.

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Today we are witnessing a strange, strange situation. Today we see the Devil himself leading us out of Hell. Today we look upon what was once the Beast of the Apocalypse and is now a lovely little lamb. Today we bless a Balto with the serum who was once a ravening wolf.

I refer, of course, to the American Brewer.

In the bitter hatred most of us have achieved for the word Dry and all its connotations, I think we forget how we felt about the breweries fifteen years ago. In the cartoons of the time the brewer was always represented as a bulgy man with a heavy black moustache and lowering brows. Out of his brutal countenance stuck a fat cigar. He wore a silk hat, a frock coat and diamonds on his fingers and in his cravat. Frequently he was pictured wielding a whip over the crawling body of the American Workingman. A woman and a little girl, shawls framing their gaunt features, shivered wretchedly around papa's writhing form, while the Crooked Policeman, the Boodle Alderman, the Hoodlum (cigarette and cap) and Vice (bosom and Merry Widow drowned in ostrich plumes) leered approvingly in the background.

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Absurd? Quaint stuff? Well, not wholly. Think back fourteen springs when we were polishing off what was to be the last of the wet goods.

"Anyway," you could hear from many a lip, "it'll be a great thing for the kiddies, this Prohibition. We'll all be better off without it."

Unquestionably there was an enormous pro-dry sentiment then throughout the country, apart from members of the black-gloved fraternities and sororities. And this sentiment had been engendered by the shenannigans of what was then known as the Liquor Interests.

For all their spring Bock, many of the pre-Drought brewers were as short-sighted a body of men as it was possible to find anywhere. Exactly what nearly murdered the movies this year murdered the brewers: their unanimous adoption of the good old Yankee saw-it-off, blow-it-up, kick-'em-in-the-teeth, anything-to-win policy of Rugged Individualism. They overproduced themselves and competed each other out of existence. As an outlet for their wares they bought up saloons, saloons, saloons and more saloons, and forced each saloonier to take more beer than he could dispose of. They mingled in doidy politics (before the Direct Primary, when nominations were made by party caucus, most caucuses were held in saloons) and they fixed the police to let their saloons run after closing hours and on Sundays. And neither did they exercise a nice discrimination in selecting men to run their saloons, nor show any concern over what sort of jernts the saloons turned into after they took them over. The only idea was: produce more and more and more and dispose of the product. So an $800,000,000 industry swelled and swelled until it bust and went running down the sewer.

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The American brewer today is a different man. For the past fourteen years he has watched ex-convicts and ex-bus boys enter the topmost brackets by filling the American people full of swill that no self-respecting razorback hog would deign to lower his snout into. And making them pay double, treble and quintuple for it. He has seen his fellow citizens, both male and female, scale off the ancient notion that to take a drink was a sin against the light, and he has noticed how in their eagerness on learning this simple fact they have wholeheartedly coöperated with blackmailers, kidnapers, extortionists and murderers in thumbing their noses at the law. This and many other things he has seen. So let us hope he is imbued with the idea that if he can't do better than this mob of mugs and dish scrapers it would be best to go behind the nearest tree and quietly open a vein.

It will be impossible for him to keep wholly out of politics, as we have already seen in the State Legislature, because there is hardly a politician in the land who does not want to get into beer. But let him keep out as much as he possibly can. First of all, let him look to the establishments he runs himself. Let him insist that they are places where a man can take his whole family: his wife, his children and even his old grandma. Let these bockeries be clean and sweet smelling and full of good air and orchestras that can saw out Victor Herbert until they are humpbacked. Let him see to it that the head man in charge is an honest, amiable *Gemüt-*

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lichkeiter and not some rat-faced sour check kiter. Let him order that there shall be ample supplies of daily papers, writing materials and the more feeble-minded games always to hand. Let him provide a corps of bouncers ever eager to toss out a chiseler. Let the food be good, the waiters affable, and the pretzels salty. And finally (and most important of all) let him sell no moist stuff but beer.

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Why is this a large order? There are thousands of such oases in Europe and they have flourished for decades. The speakeasies? We have become a nation of fire drinkers? So says the wise money, but it is my notion that we'll see some changes made.

For the past several months, New York speakeasy proprietors have grown observably less and less cocky. At first they guffawed thunderously at the suggestion that beer could in any manner affect their gleanings. "The people have got to have hard stuff," was their answer. "Why, beer don't make up no more'n two, two-and-a-half per cent of our sales here. I keep it just to please a few old customers. Besides, people like to go through a locked door and get plastered in public, and American men like to bring the wife. And if straight repeal comes, I'll just take out a license as a club."

But week by week they grow more and more haggard. There is some truth in what they say, of course. There will always be speakeasies, liquor running, gangsters, racketeering and the unregenerate who insist on their potable hardware. But really pleasant speakeasies, where the food is good and the seats are upholstered with red leather, exist in only a few of our largest cities. What's more, you have to have a pants full of dough to spend an evening in them. I think, too, that the delicious excitement of sneaking through a locked door, or a grilled gate, has somewhat palled with the passage of time.

And you can't tell me that, with pocket money as scarce as it is at present, the average man, forgotten or remembered, wouldn't rather go where he can hear some music, spread out his elbows, fill his lungs with air, get full of real beer and be assured of a square rattle from the management than slink into a bass drum crammed with smoke, tired blondes and cheap sharpshooters, where a radio runs with all brakes off, where he knows he is being gypped and probably poisoned, and where the *Gemütlichkeit* is rarer than radium. What a laugh! The boys aren't kidding anybody but themselves.

Yes, it looks as though there would be some changes made. Even in metropolitan centers the number of speaks is due for a great decrease. In New York, with the exception of one or two flash places, they have all been losing money for nearly two years, and it is reported that it is the same in other places. Your old reliable alky dealer is in for a hard summer, too. Who is going to think twice between a case of beer for two or three berries that you and the Madam and a couple of friends can put away and be assured of waking up with the top of your head still on, and the same old jiffy gin with warm orange juice and cellophane? The old house-to-house booticians will probably be peddling brushes by the Fourth of July.

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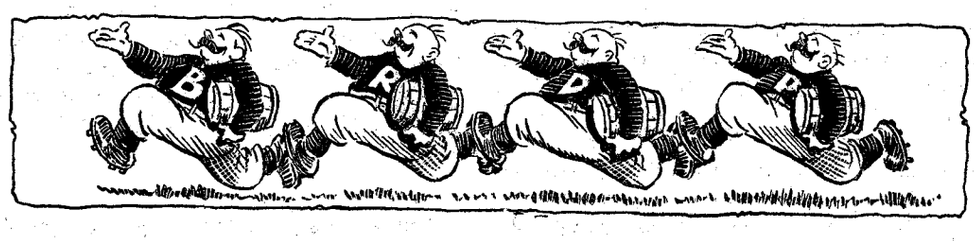
What's that whistle? Time out! Coach Congress is rushing in a new backfield, those boys down there that have been warming up for fourteen years now. Here comes the old backfield, each a triple threat man, now on stretchers. They were game but they couldn't take that wicked Federal tackling. Look, the new backfield's reporting to the referee:

"Busch, Ruppert, Liebmann and Pabst for Capone, Madden, Druggan and Schultz!"

There's the whistle. Everybody up, fellows, we want a bockdown!



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The Plight of 6,000,000 Factories

By Gordon C. Corbaley

Gordon C. Corbaley, president of the American Institute of Food Distribution, explains the purposes of the Administration farm legislation, and calls for the recognition of an American farm as essentially a "food factory."

THE NATIONAL GOVERNMENT finally is at close grips with the American farm problem.

In this first week of April the enabling legislation still is before Congress, but there is considerable assurance that before this appears in print, the Administration will have been given authority to reorganize farm financing and assume control of the producing and distributing of farm commodities within the United States.

Similar authority for the export approach—restoring the movement and increasing prices for this largest section in our foreign trade—is in the move to negotiate bargaining tariffs and will appear in the proposed wheat control.

While this cause is being advanced by the assembled statesmen agreeing that world business must come back, financing the plant and production of the American farmer is being taken in hand by Henry Morgenthau, Jr.

The administrative task of controlling production and commodity movements and negotiating marketing agreements among producers, processors and distributors is to be placed squarely upon the willing shoulders of Henry A. Wallace, Secretary of Agriculture, with power to make that control effective through licensing every participant and through the levying of special taxes.

Temporarily the people are confused as to what is contemplated because of the presence in the proposed act of three artificial plans for controlling production and prices.

Mr. Wallace has been explicit in his statements that these powers will be used only when found necessary and deemed practical enough to justify experimenting; that the first approach will be to treat farming as a collection of many related business lines that best can be put back into confident, profitable functioning through collective efforts to improve the earnings of *the original manufacturers*—the farmers.

The effort parallels the control of war days, but with a different objective. Then we wanted a maximum of supplies. Today we are seeking to restore the greatest business activity in the United States to an expanding prosperity that will enable other lines of business to have an outlet for the increased consumption which we recognize as essential to their operating at a profit.

The success of the effort depends upon those in control remaining steadfast in their understanding that the farm problem is a business question, and not a political issue, and that restoring the business of farming to a point where it will again be a normal, healthy business can be accomplished only through helping the men who run that business to get their collective affairs back on a sound basis.

For more than ten years the troubles of the farming business have been made worse by political agitation: production increased through false hopes held out to the farmers, and prices depressed by the threat of that production, or the presence in the market of undigested stocks such as those owned or financed by the Federal Farm Board.

Political agitation and political efforts have been no more than might have been expected and can be anticipated in the future. The farmers and the men who furnish farm supplies from the neighboring towns and cities have more than half the votes in all but a few states.

Any approach at Washington must start from this political pressure, but the emergency presented by the impaired consuming power of the 53,820,223 people classified by the 1930 census as rural has become so serious that we no longer can afford to have our national welfare menaced by false hopes aroused by political promises, or by artificial experiments which throw our delicately adjusted markets out of balance with each other.

With the economic welfare of all the people at stake we must take a minimum of chances.

To reduce the percentage of errors to the minimum, individually, and collectively, we should support the Administration at Washington by having a clear understanding of what is being attempted.

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This is not an abstract social experiment.

We are dealing with the largest and most completely interlocked business relationship in the country.

The 6,288,648 separately owned and operated tracts of land, where farmers combine soil, sunshine and water in their manufacturing processes, are not only the source of the raw materials for all our food and clothing, with the exception of a few commodities such as sugar, coffee, tea and silk, but have for years been supplying the most important group of the exports sent to other countries—cotton, wheat, meat products, fruit, rice, etc. Even at today's low values, and against the many impediments in the way of exporting, we sold to other countries in 1932 more than $700,000,000 worth of products manu-

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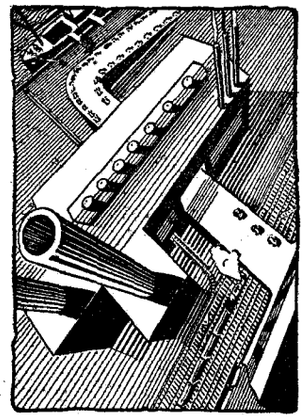

factured by the farming industry — $345,000,000 worth of cotton compared with $132,000,000 worth of machinery and $77,000,000 worth of fruits and nuts compared with $76,000,000 worth of cars from the automobile industry! Manufacturing of this unbelievably great importance cannot be approached in a spirit of casual experimentation.

It is a collection of going businesses—millions of them in several hundred groups and types—each in enough contact with all the others to cause any change in prices or volume to have some effect on the activities of all the others.

Such an activity cannot be moved arbitrarily back and forth through applying new influences from the outside unless we are willing to take chances of throwing great sections, and possibly the entire relationship, so seriously out of balance that nothing short of martial law and the regimenting of all activities will get us back into step again.

No patent nostrum can be expected to restore business health to 6,288,648 factories, or to enough of them to re-invigorate and sustain other business. Searching for such a remedy violates our common sense understanding of how men act in their relationships with each other.

The problem is too complex and too inter-related—production too easily adjusted from one line to another and consumer preference too equally shifted to make it practical for us to deal with any one, or any seven, of the more than 150 major lines of production involved—each differing to some degree from all the others in producing methods, distributing facilities and consuming outlets. The methods employed in manufacturing and handling cotton have little in common with the production of hogs and the movement of pork to consumption. Fruits are produced and shipped under conditions very different from the handling of milk.

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It is, of course, possible that we could pass the responsibility for managing these many types of activities to a department of the government. A limited group of our citizens long has advocated something of that sort, but the number of those holding this theory never has been large and has grown less since we have had a chance to observe the practical test in Russia.

Mr. Stalin may, or may not, be on his way to reasonable success in the larger aspects of his undertaking. That is a point on which there is much theoretical argument. The average viewpoint in other countries is indicated by the absence of any strong demand for communism during our present distress.

Whatever may be the final outcome to the advantage, or disadvantage, of the Russian people, there is little question as to what Mr. Stalin has failed to do in his efforts to control the farmers of Russia.

The fact that the most autocratic power in the world has been unable to get collective results out of its relatively docile dwellers on the land offers convincing reasons why our Federal Government should not attempt to run the farming business in this country. It should be equally clear that the government should not assume such authority in any major service that will change the operating methods in part of that business.

Is there any reason why this greatest, and most important, of our national business problems should be approached from a different angle than the Administration is employing in banking and railroading—the two other business activities up for emergency attention?

The fact that we are thinking about banking and railroading in one way and about farming in another seems to come from the approach to these problems through the long period of discussion.

Differences as to details remain, but the American people in general are rather well agreed as to what should be our new setup and standards in banking, and how our railroads should be coördinated and re-arranged to offer stability of service.

In speeding adjustments to meet the emergency, the government will assume and retain certain regulatory controls. It is being called upon for financial assistance in a few weak spots, but the continuing purpose at Washington is that of assisting the men who now are doing each job to get their own activities on a basis protecting capital and labor in a continuing service to the people.

Obviously, we should first attempt to handle the even greater business of farm manufacturing in a similar way.

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The first approach to that is accepting the idea that farming is a business—a collection of many different kinds of manufacturing, all starting from plants operated and financed under reasonably well defined standards of impulses and methods and then moving the various commodities through to consumption in a series of activities and impulses also reasonably well standardized.

Let us take stock of the errors in management that got the farming business into trouble and then look at the theory of how that business is operating at the present time.

From such an examination we should be able to form a judgment as to how the men responsible for the conduct of that business can become the more valuable members of our business group that we quite unanimously wish them to be.

The first purpose in such an inquiry should be that of pointing the way toward what the men in this business can do to help themselves, and determining how the government can speed an adjustment without going beyond the educational and supervisory relationship which is a proper service for the Federal agencies.

First, let us look at the history of farming with particular reference to its change from a mode of living to an industry. This change is relatively new in the commercial affairs of the world. Until recent generations farmers were herdsmen and peasants—toilers on the land. They exchanged some products with the villagers, but the business side of their activities until the last 300 years was unimportant, even in the limited trading of those days.

With the invention of the steam engine—the arrival of factory production and long distance transportation—the products from the farm began to spread into commerce. The settling of America and the pioneering in all tillable sections of the world changed the farmer

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into an independent man, manufacturing on the land into a new relationship with other business.

Except for a few great staples, this growth was so relatively slow that it has been only within the last three or four generations, as population assembled in the cities and rapid transportation brought widespread exchange, that the farmer has become a part of commerce, selling his crops for money and using the money to buy in important quantities from the towns.

Under this change the farmer became increasingly independent of local conditions and became geared to the general state of trade. His prices were high when the cities were prosperous and he retreated toward self-sufficiency on the land when banking and trading conditions were so discouraging that the cities were not eager bidders for his products.

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He had local troubles of his own—waves of land speculation and excessive production, but until we entered the frenzied days of the World War, the farmer was so independent in his business, and so modest in his buying habits, that he grew relatively rich.

Then the demand for supplies needed in Europe bid farm prices to such high levels and brought all sections of the world into such close relationship, that the business position of the farmer was changed to another basis. Farmers adjusted their manufacturing plants to serve this new demand—abandoned the old theory of raising what they wanted for themselves with relatively small surpluses, to sell and put into operation the modern industrial theory of specializing on volume production of the one or more products which seemed to promise the greatest profits. Between 1914 and 1920 the farmers of the United States, and to a considerable extent the farmers of every other country, followed manufacturing into an orgy of expansion. From being a worker of the soil with relatively simple habits, the farmer pyramided his plant investment and started to live in a different way. In his business he bought new equipment, and over-financed his operations by advancing the value of his land—to a great extent with borrowed capital. His individual living habits were adjusted to those of a city man dwelling on the land. The city itself was brought close through the construction of expensive highways, roads and the purchasing of many automobiles. The future was mortgaged in constructing expensive schools. He was guilty of the mistakes we made in the cities and compounded his troubles through becoming an important customer for many city supplies, including much of the food formerly produced for himself.

With the collapse of prices in 1920 and 1921, industry in the United States readjusted itself through one of the fastest-acting depressions of all time. Wholesale bankruptcies and debt readjustments cleared the slate, and business came back under the impulse of new activity in manufacturing.

The farming business could not move that rapidly. Farm indebtedness is on a long-term basis, while the working and thinking habits of the farmer are so highly individualistic that they move even more slowly. The farmer and his family had tasted new standards of living, and they were not willing to return to the isolated independence and the frugal savings of early years.

Much of the over-capitalization was forced from his plant, but even this was eased by the reluctance of mortgage holders to foreclose. Some downward adjustment in production took place, but the conservative thinking of the farmer made this relatively slow, especially since the supply services leading to the cities had been standardized to move certain commodities from each territory. The average farmer had no large distributing outlet for commodities different from those he had been raising, and his own output was so small that he could not individually reach new markets.

Entering the industrial expansion in 1922, the farmer was only partially deflated. Many products were in such excessive supply that markets were on a lower basis than other commodities and his debt burden was excessive, especially in the older and richer districts.

But the theory of high wages for the laborers in industry opened new markets for many of his commodities. Manufacturers and distributors who needed the farm business to maintain volume pressed for increasing business in highways, schoolhouses, automobiles, radios, etc.

Through the glorious period leading to 1929, the farmer supplied much of our consuming power, but not on a sound basis. He was making the same mistake as the rest of us in efforts to get too much in too short a time and doing this from an industry under-financed and inadequately organized to fit the new relationship in commodity distribution.

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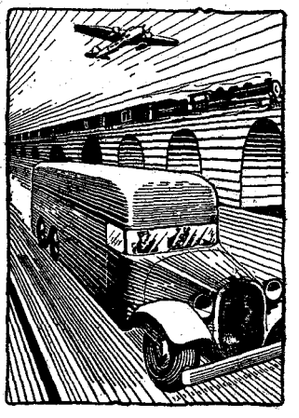
To complicate his troubles special influences worked against him. The use of gasoline power released quantities of land formerly used in raising forage crops. This was turned to the manufacturing of other commodities where the supply was already large. Women began to wear less clothes, and more of these manufactured from rayon. Our eating habits shifted to wider diversification and to more of the fruits, vegetables and dairy products which could be produced in relatively close proximity to the centers of population. Export markets were narrowing from year to year. Impaired purchasing power in central Europe and exchange relationships, upset by fluctuating values and a burden of debts, closed some markets, and slowed the movement of all. This narrowing became serious as the over-expanded farmers in other countries forced their governments to impose tariffs to protect them from outside shipments.

The merchandising and financing activities connecting the farmer with his consuming markets changed their operating habits so as increasingly to place the burden of financing and carrying upon the manufacturer of the raw commodities. The great textile industries were so weakened financially that they were less eager purchasers of the farmer's cotton. The growth of chain merchandising, as a rapid moving service for consumers, impaired the activities of the supply or-



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ganizations, which had come into existence, by absorbing production and carrying it until wanted for consumption.

Then the speculative collapse of 1929 reversed the controlling impulse in business. It changed the motivating power from forcing consumption by expanding production over to where the volume of consumption became the control in industry.

This has meant trouble for every form of production and distribution. We know that production hereafter will be expanded by increasing consumption, but we have been in trouble among ourselves because of difficulties in harmonizing individual interests in each line of effort to keep production in approximate balance with consumption, while learning how to expand consumption.

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The most serious trouble has been in the farming business. The 6,288,648 farm factories are so widely scattered that it was not possible to bring quickly their individual managers into step with each other in controlling production. And most of these factories were financed so inadequately that their output could not be held back and controlled to move in an orderly way to the several channels leading through to distribution.

To understand what went wrong with the farming business as the depression became more acute, we must appreciate the impossible time schedule that must prevail in manufacturing on the land and moving the output to consumption. Instead of having a plant that can start or stop to match immediate demand, the manufacturer on the land must determine his operating schedule months, or years, in advance of delivering the finished product. After sunshine, moisture and weather damage have adjusted the total quantity of production upward or downward, the output of the factory is completed within a space of a week or two. Then that factory is out of production until another year.

Equally great difficulties attend the moving of each commodity to consumption. This varies with the commodity from a matter of holding for a few hours to holding for a year or more. In the case of liquid milk, the flow to the consumer must be immediate, except to the extent that the milk may be diverted to butter, cheese, evaporated milk and commodities to be held until wanted. Items like head lettuce, strawberries and watermelons are a longer time in transit, but they cannot be stopped and there is no important storage place to which surplus can be turned.

Then there is a great intermediate group represented by potatoes, apples, oranges, and most fresh fruits and vegetables, which can be spread over the consumption of a few months, but yet cannot be held beyond a certain time.

In the aggregate, however, these farm manufactured products which must be moved under pressure of the time element are less in volume than the mass of products which must be held from the producing season under pressure of a burden for financing and storing—cotton, the cereals, meat products, dry beans, rice and all types of dried and canned fruits and vegetables. The output of each emerges from the farm factories once in twelve months and then must be spread over consumption for a year.

You will see the difficulties confronting management in these lines if you will think of such an operating schedule in a manufacturing business like that of Henry Ford.

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If the most dramatic of our industrialists were compelled to run his plant like the 6,288,648 farm factories, here are some of the things he would have to do:

The volume of certain types of cars would be planned years in advance—matching the fruits and nuts that the farmer manufactures from trees and vines.

Each month in the year he would start specialized types of cars because he would want them ready for immediate delivery at the end of two or three months. But the great volume of his production would be planned during the winter and spring—the annual crops of the farmers in the great agricultural regions.

After a few weeks, or months of having the producing rate of his factory fluctuate upward and downward under weather influences which he could not control, Mr. Ford would finish the annual volume of his mass production within a period of about thirty days for each type!

As his products came from the delivery line he would have some kinds of cars to be moved into use within a few hours. He would have another group that could be spread over a few months, but under pressure, because of deteriorating while being held in the warehouses. A much larger number of cars would parallel farm commodities like meat, dairy and poultry products. These he would have to pass on to someone else for warehousing and carrying through to consumption over a cycle of several months. And, finally, he would have the majority of his cars—his cereals, cottons, beans, rice, and canned and dried fruits and vegetable models—that he would have to finance and store so effectively that he could let them move gradually to consumption over the cycle of an almost full year.

To complicate further his financing and pricing, each of his cars in all the various types would be competing to a considerable extent with all the others for consumer acceptance. In times of expanding consumption, the more attractive cars would have first choice in the daily demand. In times of money saving, the consumption from week to week would tend towards the cars available in each period at the lowest prices.

Neither Mr. Ford, nor any other intelligent manufacturer voluntarily would operate under such a schedule for producing, financing, storing and securing consumption. The task would be impossible even if supported by unlimited capital. Yet the 6,288,648 farm factories have had no choice. They are in just that kind of business, and there was no other place for them to go.

Fortunately for the American people the farmer is our most conservative business man. His tendency is to keep the factory going from year to year. This position is supported by the fact that practically his output is so essential to the daily living of the people that even the

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pressure of hard times has made little difference in total consumption. Even with wages declining to where his ability to live was threatened, the farmer had to keep his factory in motion. Except where the average state of mind was excited by false hopes, such as the implied promises of the Federal Farm Board, the tendency was to reduce fractionally the output. Less fertilizer and less labor were used to force volume.

In the food commodities, which comprise most of his output, the farmer was sustained by the hundreds of supply services engaged in carrying his commodities to consumption which also had no choice but to keep on working. The people were using about the same tonnage of foods, but the wages of those handling these foods were growing steadily less.

Special factors further complicated the situation. The farmer bought far less food for himself, and he was joined by several hundred thousand families leaving the cities because they wanted the individual safety of living on the land.

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Freight rates, at the levels of higher priced years, became such an important part of the delivered price for some foods that production shifted towards the centers of population. This affected all commodities, but especially the areas like the apple districts of Oregon and Washington, or potato raising in Minnesota. Financial difficulties and tariff barriers so increased the difficulties in moving American farm products to other nations that quantities of these were forced back to where they competed with other supplies on the domestic markets.

But perhaps the most seriously destructive influence of all has been the efforts of American housewives to reduce the earning power of the farmer. Few have been conscious that this was being done. But in the struggle for safety each distributing service and each consumer has been so concerned about its individual security that the continuing tendency was to give employment to the farm factory, or to the group of farm factories, willing to work for the lowest wages as represented in the delivered price for the product.

Painted in a discouraging way, this is the position of the farming business as it stands in these spring days of 1933—approximately six million factories owned and operated by approximately thirty million of our fellow citizens—inadequately financed and organized to hold for living wages on a market where the first impulse of the consumers is to endeavor to force lower wages.

The commercial position of this great population is not as discouraging as it sounds. Farming remains a way of living, with the individual farmer better able to keep going than the city man. The burden of his indebtedness and taxes is not being pressed and a surprisingly large number of farmers have retreated to where their financial affairs are in relatively good condition.

Taking the position of their business as a whole, it appears from the records of the American Institute of Food Distribution that, with the exception of foods moving to export, total production from the farm factories in 1932 aggregate approximately the amount that the American people needed.

With better support for his financing, and stability in prices to encourage his supply services in carrying a greater percentage of the load, the business of manufacturing foods on the farm is ready for a turn towards better conditions.

The immediate problem of first importance to all business is how to assist farm manufacturing to so improve its earning power as to be a positive influence in speeding production by other lines.

The first step towards that is strengthening the finances of the weaker sellers among the farm factories. A relatively small proportion of any item pressing for sale will depress prices on all the available supply of that commodity, and will tend to take consumption away from other commodities.

The new Administration at Washington is in process of dealing with this part of the problem. Farm indebtedness is to be refinanced, and the organization under Mr. Morgenthau is to make available money that will assist the farmer in holding his products for better prices.

On the other end of the problem—moving the export part of our production to other countries—the Administration program must await the approaching conversations with those countries, and especially must await a better understanding of what needs to be done in regard to each commodity. Immense quantities of cotton and many types of food are needed by the nations of Europe. Adequate supplies of cotton cannot be secured elsewhere, and the raising of tariff barriers has increased food prices in nations where the people are so largely industrial that they need low priced food to keep them satisfied. The bargaining of the World Economic Conference presumably will open the way for easing this situation.

In the meantime the Administration must face the fact that most of the surplus supplies now held within the United States, and such surpluses as may be accumulated from the harvest of 1933, can be moved to consumption elsewhere in the world. The farmers and the agencies who handle shipping of their products are handicapped in speeding this movement by difficulties in financing, and especially by the almost universal tendency of these other countries to control inward food movements as part of their national economy. An export organization to assist in negotiating and financing such shipments seems probable as a temporary expedient.

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If I had the responsibility for restoring the earning power of the farm factories, I would call such an agency into existence at the earliest moment. In negotiating deals I would take reasonable chances on long term credits for moving surplus supplies into countries like Russia or China. The losses would be small in comparison with the sum added to the purchasing power of our farmers, or the disbursements we are making to relieve inadequate employment in other lines. It is the judgment of the Food Institute staff that these three steps—better confidence in business, strengthening the bargaining position of the farmer and an intelligently expanded movement to export markets—will go far toward starting the farm business on the road towards returning prosperity.

But even with this we will have the question of what can be done to stabilize and improve the operating relationships in the greatest of our business activities; how

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we can keep production in approximate balance with consumption; and how this production can be financed and merchandised so that it will move through to consumption at prices high enough to pay the farm manufacturer a net return that will enable him to live the kind of a life to which he feels he is entitled, the life that will sustain all other manufacturing and distribution.

It is possible that this can be gained through a bonus to the farm factories, or through such a widespread use of the police power that the more than six million farm factories will be kept in balance with sound business practices by arbitrary orders from Washington.

The record of experience is against either solution.

A bonus for production has invariably led to excessively increasing supplies and demoralized markets because of the substitution of other commodities.

The use of the police power to make farmers do certain things does not look promising in these days when we are in the process of getting rid of an Amendment to the Constitution because we learned that the police influence is not effective in controlling our people when there is something they really want to do, and fail to regard it as a crime.

Is it not better to approach the business of manufacturing on the farms as an industry, and use the facilities of the government to assist the executives in that industry in putting their business on a sound basis?

The American farmer is not an emotional fool expecting something for nothing. He reads and thinks. He is conservative, with mental habits averaging higher than any other one group in our population. He knows that his business must be done in an orderly way. He will coöperate to a surprising degree in restoring and maintaining orderly relationships, provided the individual in charge of each farm can understand just what he should do, and can have an assurance that the owners of plants competing with him will be under similar restraint.

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The many types of assembling, processing and distributing services which assist in financing and moving these products through to consumption are operated by intelligent American citizens who are awakened to their interest in restoring the purchasing power of the farm population. They have a selfish interest of their own. Their earnings are based on the level of farm prices. The decline to about half the former basis has affected them in proportion and brought many to bankruptcy.

Individually they can do nothing. During the decline in business they have been struggling to survive. The most obvious way to do this was by offering to serve the consumer at lower prices—to cut their wages and the wages of the capital and labor producing each commodity. We have been as headlong in that as we were excessively greedy in reaching for profits in 1929. And reducing prices to the consumer was wholesome as long as it reflected efficiency in manufacturing and distributing under a change slow enough to permit the released labor to be absorbed elsewhere and thus avoid any important curtailment in purchasing power.

But when the decline reached a place, as it has in most farm commodities today, where the participating capital was on the verge of bankruptcy and the participating labor was working for less than the levels which would maintain American standards of living, then our national welfare was so seriously threatened that a halt had to be called. An appeal to the consumer to pay higher wages in the form of prices would be futile.

So also would the results gained by injecting an inflating tonic in a few favored spots. We want quick action, but we also are concerned about having this action so in harmony with the impulses of millions of men dealing with each other that the result gained will be held through the later years that most of us expect to live.

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The law of supply and demand cannot be repealed, but it can be again made effective by determining what is the actual relationship between supply and demand, and by putting this knowledge so directly in front of men that they will understand what they individually should do towards keeping supply and demand in reasonable balance, that we may live safely together. The new farm act will give Secretary Wallace power to do that.

Nationwide facilities already are available for learning the truth about the producing plant for each commercial farm product, the outlook for production, volume of production as it appears, stocks on hand, movements to market and progress of consumption.

With this we have other facilities in the form of agriculture agents and representatives of financing which can reach the management of every farm factory with information as to what that factory should do in reducing or expanding volume of production and moving commodities to market. In a superficial way we are doing these things, but no section of the work is today effective in placing on the individual an obligation to do his part towards collective intelligence of action.

Because of the widely-scattered locations and the diversification of activities among the 6,288,648 farm factories, this is a proper function of government: gathering the essential facts effectively to keep books on the operating position of each line of production and following the movement through to consumption so that management in each line will be intelligent.

The new law gives the Secretary of Agriculture power to control this intelligence of action through the right to license each of the many service groups handling the several commodities during the movement from production to consumption. Such power might be made a burdensome bureaucracy. I am sure Secretary Wallace realizes that danger, and has no such thought in mind. From my conversations I feel that he shares with President Roosevelt a fine understanding of his responsibility for leading the American people out from this period of trouble. To a remarkable degree our people are willing to place faith in the leadership of a man. This state of mind offers opportunity to impose on each business group —the farm manufacturers of each commodity and the service groups handling that commodity—to join in a spirit of determining what can be done to improve the market price for that commodity.

If this can be done with intelligent understanding of how the business of manufacturing on the farm and distributing those products runs now, and what should be done to make it run better—with the government participating within the limits proposed in banking and railroading—the operating methods of our greatest industry can be speeded in their return towards the profitable basis that the country so greatly needs.

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Mr. Buffalo of Broadway

By Cy Caldwell

The drama critic of NEW OUTLOOK, *and owner of 25 shares of Steel Common, who has just heard from "the chairman of his board," takes a hasty glance back at the* 1932-33 *theatrical season, and tells the American theatre a thing or two.*

HEAVING MANY A DOLEFUL SIGH and mixing tears and ink in equal proportions, theatrical experts recently have been telling a callous and indifferent world that the Legitimate Theatre is making its exit from American life. These experts tell us that the poor old Theatre is simply another Vanishing American, moving sadly on his way to join the Forty-niner, the pony express rider, and the passenger pigeon.

Already, they add, he has been driven from the vast and once nourishing plains of America where, until only a few years ago, he roamed at will like an old buffalo browsing contentedly on the luxuriant crops of wurzels, yokels, or whatever it was that he devoured in order to sustain himself. During the past five years or so, the experts groan, he has been relentlessly pursued by the movies, the radio, and hard times until now, sadly reduced in stamina, he has been rounded up in the game preserve of Broadway, which is to the theatre what Yellowstone Park is to the bison of the plains. Even there he still is being shot at, poor fellow. In the dense side-street jungles adjacent to Broadway the arrows of outrageous fortune continue to puncture his mangy old hide; short of hay after a hard and bitter winter, he mournfully awaits final extinction.

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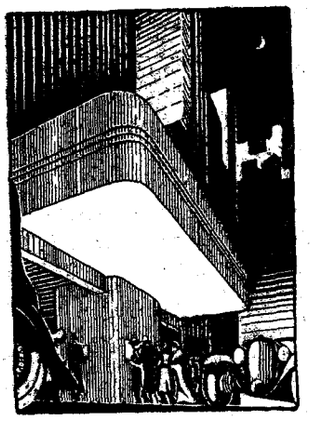
Such is the gloomy picture I have of the Legitimate Theatre after reading the lamentations of producers, actors, and dramatic critics. "The Lost Theatre," Mr. Arthur Hopkins called it. In his mind it's gone already. But Mr. Percy Hammond, of the *New York Herald Tribune,* putting telescope to eye, saw that it wasn't really lost; it had merely strayed over into the field of the Motion Picture. There it was browsing with great content. Mr. Robert Garland, of the *World-Telegram* advised all dramatic critics to go over and take a look at it in these fair new fields; he had looked himself and had found "Topaze," the John Barrymore photoplay, "more artistic, more entertaining and more worth while than two-thirds of the in-the-flesh first nights I have to sit through." So had I, for that matter. Fortunately for the poor old speaking stage, however, not all of the cinema's productions are on the high plane of "Topaze." Too many are right down beside "Anybody's Game," "Big Night," "Two Strange Women" and other sorry failures of the past theatrical season.



Now, if there is one fact that I have gleaned from the flock of fancies that I have encountered in forty-one years of a largely misspent life, it is that the expert almost invariably is wrong.

Without a doubt the theatre is in a state of misery. But who isn't? The only happy people these days are children, chorus girls, and old Senators approaching senility; the rest of us all have something biting us. If I encounter any theatrical man crying at the Wailing Wall, all I'm going to say to him is, "Shove over, brother. I want room to cry about my own affairs; they're just as sad as yours."

But on the theory that misery loves company and may be comforted by it, I wish to quote briefly from the annual report of a large steel corporation in which I own 25 shares of common stock—and this stock is so common that a bond in default wouldn't even nod to it. "Operations of your steel plants," the chairman of my board of directors informs me, "averaged 16.9% of capacity for 1932 as compared with 38.6% of capacity for 1931." Now 16.9% of capacity is pretty small potatoes, but the chairman does not go on to tell me that the steel business is making its exit from American life. On the contrary, despite the surrounding gloom and dead blast furnaces, he is strongly of the opinion that the steel business is here to stay. That 16.9% of capacity doubtless has saddened him, but it hasn't floored him.

It may be startling news to them in this period of their decay and possible approaching dissolution, but the legitimate theatres running in New York seem to be doing about twice as well as my steel company—I say my company, although what I own of it is no more than the ash pit of one cold furnace.

Allowing that the theatres' gross receipts for the boom years of 1927-8-9 represented capacity houses, gross receipts for the same weeks in the past theatrical season had dropped to around 30% of that capacity. That isn't any too happy, of course, but still it is just about twice as good as my unfortunate steel plants are doing. Compared to the steel business, the theatrical business in New York actually is booming.

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Let's look at the record based upon the weekly estimates of *Variety,* leading theatrical paper. For a single week in January, 1927, 44 productions played to a gross of $796,900, or $18,111 per production. In the same period during 1933, after the reduction of theatre prices, 18 productions played to a gross of $222,500, or $12,361 per production. That revenue is only 31.5% less than the revenue of productions during

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the boom year of 1927. Since 1927 the producers of necessities, such as food and clothing, have suffered a loss of 37%, or 5.5% more loss than the legitimate theatres in operation.

Of course, this applies to theatres open. But as those that are open are doing a business about 5.5% better than the food and clothing business, isn't it possible that the chief reason why so many theatres are closed at present may be due more to bad plays and lack of confidence upon the part of producers than it is upon general conditions that prevail in the theatres which are open? Not being an expert, I have no sad and certain answer to this query, but I suspect that the answer is, Yes. In fact, I will go so far as to assert that of all the bad plays that opened and quickly shut in New York during the past season, not a single one of them deserved to run, or even to open, in any season. You had to move fast to examine a few of these exhibits; for some of them the second night was too late—they had folded after one showing. To blame hard times and the movies for the failure of bad plays is to dodge the issue and the responsibility, which lies with the producer, the playwright, and sometimes the actor. After suffering at some of the flops of the past theatrical season, I have come to the conclusion that what America needs is a good five cent guillotine.

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In bewailing the lot of the legitimate theatre there seems to be a tendency to suggest that the glories and the profits of the theatre have fled to the movies. Perhaps. But even that hated rival is not in a particularly happy state. Despite the fact that gross receipts have held up fairly well, the times considered, motion picture producers have been forced to lower prices for their product and to double their output of pictures in order to lure the crowds in. The result is that their profits have vanished. Theatres built, bought, or leased at boom prices cannot be operated without continuing and ever mounting losses; the huge exhibitor chains are collapsing and the picture producers are going broke. In spite of this, however, everybody in the United States, even those in the motion picture industry, believes that the talking picture is here to stay. There isn't the slightest suggestion that the movies are making their exit from American life.

Then why all this pessimism about what we call the legitimate theatre—though any theatre is legitimate enough if it provides diversion? I think it is because those who are in the business can't see the forest for the trees. They are too close to it, too much with it, too much hemmed in by immediate and dismal conditions that shut off from their view the larger and fairer scene that the mere observer in the audience can see. And this applies, not only to the producer who has lost money and the actors who are without employment, but also to the dramatic critics.

To date practically everyone of consequence in the theatre has been heard from except the spectator in the audience—the man who pays the freight and makes it all possible. From him there has not been so much as a murmur. Perhaps nobody could find him. But it would be interesting to know what, if anything, he thinks. After all, the real trouble with the Vanishing Theatre is the Vanishing Audience. Where has it gone, and why, and will it come back?

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Somewhat diffidently I push myself onto the platform and step up to the microphone to represent that inarticulate gentleman. I believe that I can qualify as a spectator, not an expert. Although managers have fallen into the pleasant habit of sending me passes for their second nights (if any), until some nine months ago I paid my own way into these temples dedicated to the drama. Therefore, unlike the hardened dramatic critic who has been seeing things free for years, I yet am able to weigh a show in terms of dollars and cents, pounds of steak, loaves of bread, or even in shares of stock in movie companies. I understand only too well, for instance, why Paramount should produce a picture named "Hock Shop," why Warner Brothers should announce one called "The Bread Line." As a stockholder, hock shop and bread line are words that are not without meaning to me.

Well then, I believe that the chief reason for empty legitimate theatres has been the competition offered by the talking picture and the radio. You can see a movie for a quarter of what you must pay to see a play, and you may stay at home and listen to the radio for nothing. So many other reasons have been advanced, all of them valid, that I believe the chief reasons have been obscured and partially obliterated.

It obviously is true, for instance, that the gouging of ticket brokers and speculators has driven many people away from legitimate theatres; too much and too nasty and disagreeable realism has batted out many more; third rate companies touring the hinterland at first rate prices have knocked out the road; and the greed of certain producers has played its foul part. At the same time, admitting all of these as contributing factors, if there hadn't been any movies to see or any radio to listen to, millions of us still would have been forced to tolerate these disadvantages, and pay for them, if we were to have any entertainment at all.

Therefore, after the shouting and the tumult over what is wrong with the theatre dies away, I am left to conclude that the real trouble lies in the cheaper competition of the talking pictures and the free competition of the radio. And these we shall have with us always. So why not face it, examine it critically, stop moaning about it, and appraise it?

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As to radio, which we hear is the thing which is keeping people out of the theatres, I am very nearly sick of it. It wouldn't keep me away from anything. Years ago I started off with it, listening to anything and everything from Amos 'n' Andy on up, or down—and all the way across the dial. I liked radio so well that I put up with the commercial announcements. But it is now almost two years since I have listened, except

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very infrequently, to a commercial program. I simply can't stand the announcers; I will not tolerate their constant din of importunity: buy this, buy that, send in your name, get a prize; try this, try that, try the other, watch your breath, you need roughage, guard your gums —all the dreary, discouraging mess of it. I am off commercial radio, and nothing will win me back. It costs nothing, but it's worth even less.

And what of the movies and their hold on the average American? Well, this testator is an old movie fan. As a child, I watched John Bunny; as a youth I delighted in the capers of Charles Chaplin. Theda Bara has moved me, and Greta Garbo and Clara Bow have failed to do so. But I'm a movie fan; I've stuck with the movies, man and boy, for nigh onto thutty years, come this next Michaelmas, and I have a great liking for photoplays—when they are good. "Cavalcade," for example, stirred me as no stage play of the present season has done; "A Farewell to Arms" was an emotional treat that nothing on a New York stage this season even distantly approached. To expect me to like such magnificent cinema productions less than Arthur Hopkins's "Conquest" is to ask the impossible.

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However, I don't demand a "Cavalcade" or a "White Sister" every week; I know it can't be managed. "King Kong" will do as a fantastic change, and the "Sign of the Cross" with Mr. DeMille's lions rampant is entertaining. But that is too much to expect regularly. Too often when I go to the cinema I must watch what they call a program picture. Now a "program picture" usually means that if the picture had been only a little poorer it couldn't have been on the program at all. And right at that point is where the movies annoy me and bore me as much as "Far Away Horses," which for a few nights tramped the boards of the Martin Beck Theatre and then galloped off with those other sombre steeds from Cain's Warehouse.

There always will be a movie audience. But, I am convinced, from my own and friends' experiences, it also is a diminishing audience. How can it be otherwise? If you attend week after week, or night after night, as the more desperate and hardened do, you are certain to encounter the same old plots and situations, the same old faces. There undoubtedly is a saturation point in this movie business; many of us arrived at it long ago. We no longer simply "go to the movies"; we pick our shows, or we stay at home. And that goes for many, many millions of us.

The same reasoning applies to the immense stage presentations of the large New York and suburban movie palaces. They are essentially the same old vaudeville shows week after week. The same pretty ballet girls romp through much the same sort of steps; the same large orchestra plays the same kind of music; and the same, or slightly different, vaudeville and radio stars step out and say and do just about the same old things. It's glorified vaudeville, that's all; and you crave vaudeville only so often, not every day of the week. Even the scenery, changed weekly, reminds you of scenery that you saw only recently.

To be sure, this grand galaxy of dancing maidens, vaudeville acts, a feature picture, a short subject, and a news reel sets you back only 75 cents or so. It's a great show for the money; you have no kick coming. But is that sort of thing going to entertain you once, or twice, a week for every week in the year? Not to visit the picture palaces in our larger cities would be to miss what often is grand entertainment. But to do only that is to end in a depression of the spirit. You and I, and millions like us, need something more occasionally, whether or not many of us have overlooked that fact during the past two or three years, what with the talkies being new and inexpensive, money being hard to come by, and possibly, a number of other things. If we can afford it, we want something different, if only for a change, as an escape from monotony.

After all, is it reasonable to conclude that the theatre of the speaking stage has come down to us from old Roman and Grecian days only to pass away in 1933, or 1935 at the outside, as some fear? If the cheaper cinema always entertained us, always delighted us, I could share these fears about the survival of the more expensive stage. But the cinema does not always entertain; increasingly now it bores, for we've seen it so often. It is boring even its more moronic supporters. It's becoming an old story.

To be sure, the stage is an even older story; and on occasion it can be every bit as boring, as one who has witnessed all the flops of the past theatrical season honestly will testify. But a good play is something different, a welcome relief from the mechanical voices and the flickering shadows of the cinema. And every human being craves a change occasionally.

Possibly the immensity of the audience that has been drawn to the pictures has led to a belief that people attend because of some superior charm of the cinema. It is superior in some respects; but I am convinced that its greatest charm lies in the low admission price, with which the legitimate theatre neither can compete, nor should be expected to compete. Better times will make the higher price less of an objection; and the normal human craving for a change from the ordinary and tiresome will do the rest. The theatre not only should win back many of its old supporters, but it should win many of the younger generation who have been brought up only on the movies.

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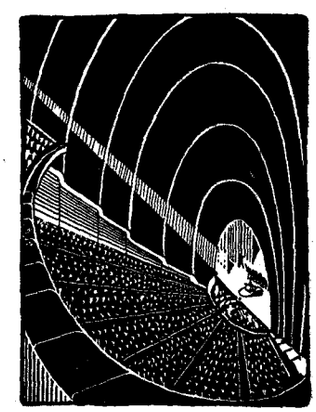
People are willing now, and more will be willing in the future, to pay for a memorable evening in the theatre. A great play is something to linger in the mind and stir the emotions whenever it is recalled. Long after many good photoplays have faded into grey shadows I shall be able to recall Maurice Schwartz's great stage production of "Yoshe Kalb," or Miss Eva Le Gallienne's production of "The Cherry Orchard," and "Alice in Wonderland." Even light plays, such as the current comedy hits, I am convinced will remain with me when such a fine photoplay as "Cavalcade" has grown dim.



All of us of the older

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generation treasure memories of the theatre, memories beyond price. Will we, or will our children, treasure memories of the talkies? I doubt it. You remember a man or a woman, a great artist; you forget shadows on a screen, even the shadows of an artist. You don't go to the cinema for a memorable evening; often you go merely to seek oblivion, to take a narcotic, something to deaden the suffering of a too dull evening. It's all very well for what it is and for the little that it costs; but it is not the theatre, and it never will be.

However, the Legitimate Theatre should not be content to wait for its old audience to return and for its new audience to come to it. On the contrary, the theatre should take stock of itself and of its old-fashioned shortcomings in this modern age. The cinema has progressed; the Legitimate Theatre has stood still. A few examples will serve to indicate what a doddering old relic it has permitted itself to become.

In doing away with the gallery, the theatre made no other provision for inexpensive seats for the young, who consequently were driven to the movies. Take a critical look at any first or second night audience, or at any legitimate theatre audience, for that matter. Did you ever see such a large proportion of elderly people anywhere else, except in church? In every second night audience in New York, for instance, there are six sets of whiskers: a Charles Dickens, a Trotsky, a Charles Evans Hughes, and three assorted, or indiscriminate. Such herbage would be barred from a movie cathedral; the doorman would suspect that their owners were going to create a disturbance. But the legitimate houses let these beavers in; they are professional second nighters, no older than the majority of us, but much fuzzier. We should encourage the youngsters, without beards.

Many of us of the old guard are fading fast. Five years from now may see us on crutches; ten years may see us being wheeled in, or carried in; and if replacements are not provided it is barely possible that twenty years from now the theatre will be empty. And the sad, elderly gentleman who collects the tickets and never, never smiles still will be standing at the door, stuffed and mounted, which, I feel, will serve him right for all the years he has stood there glumly tearing our tickets in half.

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And that's another thing: is there any reason why theatre patrons should not be greeted with a cheery smile? After all, though the doorman may be mad at those who don't come in, he should hold nothing but kindly feelings for those who do enter, even on a pass! I also enter cavernous motion picture palaces on a pass; and a handsome young man bows slightly and with dignity, permits a grave smile to flit across his perfect, if somewhat vacant, features, and with a lordly wave of his hand directs me to another young ambassador, or court *attaché,* who smiles pleasantly, bows with grace, and escorts me to a seat as though I amounted to something. It is all done with fine courtesy and an air of friendliness that charms me and quite resigns me to the fact that the stage apparently is about half a mile away. And that, mark you, is done in a show to which the admission is only 75 cents. In the theatre that charges a top price of from $2.20 to $4.40 the doorman shows his contempt for the patron's extravagance by scowling at him, or at best ignores him.

Once I have passed this old dragon, I must fight my way by two determined young men whose ancestors crossed the Red Sea without getting their feet wet. I must put up a stout battle if I am not to have my coat snatched from me and be charged 25 cents reparations for having lost the war. If I give in at once, I suffer no embarrassment, but if I cling to the garment they dodge in front of me and surround me, meanwhile importuning me with loud and heart rending cries of "Check your coat! Check it here!" They practically defy me not to surrender. Men accompanied by ladies other than their wives almost invariably give in.

Then between the acts there is much loud entreaty to purchase a dubious looking orange drink, for which the price is a quarter. As I seldom see anyone consuming this doubtful beverage, I am convinced that the same collection of drinks serves during the entire run of the play, or until the liquid evaporates. And all of this vociferous hawking of drinks and cloak room services is done in the noble and dignified theatre that is supposed to be so far above the movies!

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Many theatres in New York and other cities are old, and the seats are uncomfortable. Hard times may be pleaded now as an excuse for not throwing out seats constructed before the war and evidently upholstered in scrap iron. But these same seats were in use when times were booming. The owner of such a theatre simply didn't care a snap about the comfort of his patrons. And he still doesn't. But he must see to it if he is to win the patronage of people who are used to really comfortable seats in the movie palaces, and even in the small suburban picture houses.

And while he's about it, the owner might spend something for paint, or even soap, and brighten up his gloomy old place, and air it out occasionally so it won't smell quite so much like a mausoleum. He might even install a modern air-conditioning plant, if it isn't too much of a shock to him to consider the suggestion. And it wouldn't be a bad idea for the owners of some of the older theatres to purchase modern lighting equipment, which they should have bought five years ago. And while the electricians are putting in fixtures that don't resemble those that have been in Aunt Effie's parlor for twenty years, other men could be set to work tearing down and carting away yards of dusty, dirty old hangings that for decades have been the happy and peaceful abodes of countless generations of moths.

What to do with the orchestra pit is a problem. The last thing I expect to see in it is an orchestra, at least until times are brighter and the theatre again attracts the audiences it needs. Meanwhile, as the pit usually is covered over with dingy plush, it could be used as a storage vault for, say, Paramount-Publix stock.

One of the troubles is that there are too many theatres, because a few years ago whenever anyone noticed a vacant lot he simply went and erected a theatre on it. No wonder that the theatre is as vacant as the lot ever was. It might be well to use only the newer ones and turn the old ones into storage warehouses for aged producers and decrepit dramatic critics.

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Weak Links In Chains Of Stores

By Joseph M. Mellen

The legislative searchlight shortly will be turned upon chain-store merchandising, the effect of which upon normal economic life in a rural community is discussed by Joseph M. Mellen.

BILLION DOLLAR STAKES sound a trifle too big to be of concern to the average American housewife, as she dabs powder at her nose on the way to the butcher and the grocer.

Yet, if the conflict between the interests of chain stores and of independent dealers has not been exaggerated, her role is one of the controlling factors in a clash of at least this magnitude which is imminent, and cannot long be postponed.

The conviction grows steadily that something is wrong in the situation, and that something must be done to right it.

Though many small shopkeepers still do not know it, chain store executives are aware that the tocsin of economic warfare is ringing with wild discordance today. Also involved in the hostilities are farmers, newspaper publishers, railroad officials, manufacturers of household articles, small town bankers, tobacconists and pharmacists.

Thoughtful citizens, who may have believed themselves removed from the fighting zone, cannot but realize that the problem, somehow without their knowledge or consent, has crept menacingly within touch of their fortunes.

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If the trouble were, or could be, confined to a mere matter of competition between chains of stores and independent owners, a solution might be neither difficult to reach, nor of great importance. But what complicates it is the huge sums of capital invested, the great number of employees involved and the many different industries affected. Indeed, the problems created by the chain store can be likened in far-reaching effects to those arising from sex, prohibition and gang warfare. Otherwise, the easiest disposition would be to lump them with Communism, War debts and political corruption, and forget them until they solve themselves.

Unfortunately, prejudice still further complicates the subject, beclouding judgment to some extent and throwing a mist of poison gas around the vital issues.

Like a great octopus, the chain store method irresistibly extends its influence into every avenue, street and alley of the nation's retail business. Its first objective is to paralyze forces which oppose it that it later may grow fat on inordinate profits. Whether in the city, where it seeks to crush the weakly neighborhood merchant, or in the country, where it seeks to exterminate the local tradesman, the story is ever the same: individualism in business must give way to the great, inanimate power of organized capital. And as the struggle continues, the helpless farmer, ever more helpless, must stand aside and see his product given away.

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A few figures illustrate the stature of chain store organization, and the degree to which it has prospered.

In 1929, the last year before the depression struck normal business, six million men and women were employed by chain stores at an aggregate payroll of five billion dollars.

In the same year, according to the fifteenth census of retail distribution compiled by the United States Department of Commerce, chains owned one of every ten retail shops. The seven thousand chain systems operated 159,826 of the 1,549,168 places of retail business in the country.

The total amount of retail trade in 1929 was approximately $50,033,850,792 in net sales, but the ten per cent of chain stores did $10,771,934,034 of this trade, or twenty-one and a half per cent of the total!

In the miniature department store field, selling articles for nickels, dimes, quarters and dollars, earning charts show an average return on capital invested in 1920 of nearly fourteen per cent. In 1925, this percentage rose to twenty-five. In 1930, after trade had begun to suffer, earnings still were in excess of thirteen per cent.

In the field of food products, earnings apparently have been much greater. One important private banking house, specializing in chain store operations, estimates that one food chain, before deducting interest, taxes and dividends, earned as much in one good year as one dollar and fifty cents on every dollar invested. A group of seven food chains earned an average of forty-eight cents for every dollar invested over the period from 1925 to 1930, inclusive.

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Two trends, however, indicate that, while the chains can annihilate independent ownership in business, they eventually injure all trade, themselves included. The first is a steady decrease in profits from 1925-6, peak years of earnings. The second is the steady increase from 1925-6 of the net fixed investment in individual shops, showing decreased earnings on dollars invested.

Profits attract investors. Also, the pressure of investment seeking profits causes profitable business to expand. These principles explain the tremendous development of chain store systems. This growth has been accentuated in the past decade by the falling level of

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earnings in such long established industries as iron and steel, petroleum, automobiles, gas and electricity, railroads and the telephone, where competition for business and competition for ownership of securities have forced return upon investment to conservative percentages.

Chain store profits began to decrease immediately after 1925-6, their peak years. This preceded the depression. A current bulletin on chains, published April 17 by the research bureau of the Graduate School of Business Administration at Harvard University, indicates that this decrease continues uniformly at present.

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It is easy to see what stirs the ire of the independent merchant against his chain store rival. Loss, fear and jealousy are factors. Yet, there is nothing inherently sinister, or vicious, in the theory of chain organization—at least, so far as appears upon the surface.

The chain store originated, to all practical purposes, in the mind of a man from Maine named Hartford to whom it became apparent that, if the owner of one shop could earn a profit, he could make greater profit from the ownership of two shops. Still more profit would result from the ownership of three shops and so on, until overtaken, of course, by the law of diminishing returns.

Another source of increasing profit soon came to light. The combined capital of multiple ownership conferred purchasing power so much greater than in the case of individually operated shops that merchandise, bought in large quantity, could be acquired substantially cheaper per unit of measure. This gave the chain operator immediately a profit and an advantage over his competitor. He could cut established prices and, at the same time, retain a larger margin of profit.

When the desirability of group operation caught the fancy of investors, the rise of chain selling was rapid and diversified. Its ramifications extended into many fields, though practice showed it best suited to articles of small value. Food, household necessities, wearing apparel, minor luxuries, tobacco and druggists' sundries proved to be the stock lending itself most conveniently to the rapid turnover of capital, large volume of sales and small unit of profit indispensable to chain selling.

At first, the chain store encountered no resistance, at least organized, from independently owned shops. In this period, when chain stores earned more comparatively for their owners, whether individuals, families or stockholders, than other forms of enterprise, public demand for investment opportunities encouraged establishment of a growing number of chain selling organizations.

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Other forms of enterprise felt the attraction to amalgamation and merger which was spreading rapidly among small, retail shops. Manufacturers of automobiles and airplanes, operators of public utilities and steamship companies, even banks, caught the fever. The only restraining force apparent was the Federal government, prohibiting and regulating through powerful anti-trust laws and commissions.

Chain selling seemed to escape attention from the Federal government because official interest is limited in scope to the maintenance of adequate public service and to the protection of the public against restraint of trade. The Constitution has been interpreted as giving to the central government authority to prevent whatever will raise prices of necessities to unnaturally high levels through the power of monopoly. Methods of obtaining large volume of sales, even though they have lowered prices below the range of fair and reasonable profit to a large number of producers and dealers, have been slow to draw disapproval.

While Washington has been content, so long as no citizen is compelled to pay excessively for life's necessities, the fact that low prices may bring harm to an appreciable number of individuals is working its way to the foreground of Federal attention. It is this question which now focuses interest on the grievances against the chain store in many fields of business.

The case, in a small, rural village two or three centuries old and located near the Atlantic seaboard, will illustrate the grievance in many of its aspects.

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Up to the advent of the chain grocer, the mercantile and trading life is serene. Perhaps it is too much so for progressive youth, which makes its way for vital excitement to larger centers of population.

The village grocer is an independent merchant, owning his shop and his home. In every sense, he is a citizen of the community. His family has lived there since the dawn of village history. He is related to many of his neighbors, and he is one of them, a friend. He may not be efficient in business practice or in the range of his stock, but he provides about what the villagers want and sells it at a price which supports his family and his share of village charities without much margin toward accumulation of an independent fortune. He is content, and his shop is sound enough to give first training to many who rise high through their ambition in the industrial and commercial life of America.

Then one day, word spreads in the village that a new grocery is to open. The news has undoubted interest.

Since real estate values are stable, with little to disturb them, the agent of the chain store is able to acquire a central location at an extremely moderate rental or purchase price. He has the advantage of being able to threaten not to bring the chain store to Bumpkinville, but to go instead to a neighboring village. This argument is not to be resisted.

Next, after the site has been picked and made ready for its new uses, comes the advance publicity or propaganda in the local newspaper. The editor, under pressure of the advertising manager or publisher, prints a laudatory article extolling the virtues of the great company which has been wise enough to appreciate the future possibilities of Bumpkinville. A second point in its favor is that it is going to bring to the village delicacies

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from distant India, France, England, Italy and the Far West, as well as the Old South. And, *mirabile dictu,* all these delicious and mouth-watering articles of food will be sold at low, ridiculously low prices. The newspaper does not say the new grocery is coming because of love for the people of Bumpkinville, neither does it hint that it is coming merely for profit. In the publisher's mind, however, is the pleasant prospect of columns of advertising regularly submitted, telling their story of variety and prices.

Finally, the day of opening arrives. The new shop, naturally, is a center of interest in the village for the time being. Everyone visits it, whether to purchase, or to look it over. Prices immediately catch attention. Why not? Are familiar articles not priced several cents lower than those known in the village for a decade?

The manager makes two points clear to all: buy cheaply by paying cash; save money by carrying your purchase.

The old, established grocer is not worried at first. You cannot fool him. He has always had the trade, he is on friendly terms with everyone in the village, he knows what they want. No, Sir. Perhaps he is a trifle jealous the first day. But he knows that the vogue will pass. His customers, his friends, his neighbors are used to buying from him, charging mostly, and letting him deliver. They will not take up new ways overnight.

Gradually, the discouraging truth hits home to the village grocer. His trade is going steadily to the chain store. The primary cause is price. More and more of his best customers are coming to him only for items they cannot get at the new shop. His income is suffering a serious reduction.

The psychology of the village on the question is interesting, but it brings the grocer precious little comfort. He finds resentment growing against him and he discovers it is due to a feeling he is overcharging his customers, that he has been overcharging them for years. His only defense is to make reductions wherever possible. And without reasoning very carefully, he puts up a fight in the one field in which he cannot hope to compete with his adversary. The struggle is now growing serious. He seeks cheaper items from his supply house. The bulk of his trade, after a time, comes mainly from the slow pay customers who find it inconvenient to pay cash at the chain store. Thus, the proportion of his questionable accounts receivable rises in the total amount of his trade. Too much of his working capital is tied up in sixty and ninety day accounts.

In the meantime, several other members of the community are beginning to find that the low prices of the chain store do not confer unmitigated blessings on the community.

The president of the Bumpkinville Bank, to his surprise, is unable to induce the manager of the chain store to open an account. He learns it is the practice of the chain to send all cash in excess of local expenditures to the city headquarters within twenty-four hours. This means that the bank and its stockholders are losing the use of an appreciable part of the currency in circulation in the village.

Another fact, not entirely pleasing or reassuring, is encountered before long by the banker. Deposits, particularly savings accounts, are decreasing steadily in the local bank. What is worse, the decrease is not accounted for entirely by the reduced amount of money passing through the account of the old grocer. The only possible explanation the banker can formulate is that the chain store is draining the resources of the community, sending steadily to the nearest large city its excess of income over local expenditures.

In the course of frequent conversations with village inhabitants of various vocations, the banker begins to note new factors in the situation created by the chain store. Many of them did not occur to him for some time.

The farmers, he finds, are beginning to turn in sentiment against the new shop. They at first favored the spirit of "git up and go" which the chain manager introduced in the business of the village. He wasted no time when he gave them orders for vegetables, eggs and fruits in season. He was in just as much of a hurry when it came to setting the price. He named what he was willing to pay and intimated he was sorting out in his mind sources of supply for the future.

Before long, the farmers find that no more of their products are being consumed than formerly. Also, they find the amount paid for these products has been beaten down below former levels. As the bank's best customers, season after season, these facts add to the feeling of disturbance in the mind of the village banker.

The local publisher also brings a tale of woe to the banker. The volume of expected advertising from the chain store has not materialized. Furthermore, the advertising is being placed in the newspaper at rates below the established scale. The manager, in winning this concession, says that he has authority to pay no more. He is willing to take it up with his head office, but tells the publisher he is sure they will say: "Take it, or leave it."

Coupled with this disappointment, the publisher tells the banker, is the discovery that the local grocer can no longer afford to take as much advertising space as formerly, because he has lost too much business, and cut his margin of profit too low to warrant the expense.

The railroad, too, has a complaint which eventually reaches the banker. Through the mouthpiece of the local freight agent, he hears that the road is losing business directly through the advent of the chain store. The grocer is bringing in less goods over the rails, while the chain store brings all its merchandise over the state highways in great trucks. This worries the banker, who knows that the railroad has lost already a disheartening volume of passenger traffic through increasing use of the automobile.

As for the old village grocer, who begins to look a little peaked, his case worries the banker, though not solely through altruism. In making a loan on the basis of his slow accounts receivable, he begins to talk about a mortgage. The banker finds it embarrassing to realize that this customer steadily is losing ground.

To bring attention to the subject of increased expenditures by the village through the highway department for road repairs and maintenance might seem far-fetched. In any case, the banker realizes that money is spread over all property owners and represents an insignificant item at the end of the year. The highway superintendent, however, can testify that the roads are not holding up so well since the big trucks began regular

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visits to the chain store, especially at times when storms have softened road surfaces.

A final factor in setting the mind of the banker against chain selling comes directly from his wife's indignation. As head of a committee of women for a local charity, she reports that the chain store manager refuses to make a contribution. He gives two reasons. He says that his own earnings do not justify a gift, and he cannot commit the store without authority directly from his headquarters. The chain store, the banker sees, is wholly impersonal.

The banker, like the publisher who is his friend, is a sort of clearing house in the community for information. While, at first glance, it appears that the newspaper deals in humanity and the bank in economics, the two friends get both sides of the picture. In talking over the situation, they decide to assemble facts on both sides of the question. They agree that the chain store hurts those from whom it buys and those with whom it competes. The farmers, the real estate owner, the newspaper, the railroad and the bank all suffer, as well as the grocer.

What about the customers of the chain store? Do they, too, suffer?

The banker and the publisher know through the medium of their wives that almost every household in the village goes to the chain store, at least for part of its groceries. On the surface, every purchase represents an actual saving of copper pennies. If these savings are real, it will be difficult to answer their argument, for reduced costs of living, particularly in times of depression, play a great part in upholding, or raising, the village standard of living.

Another argument in favor of the new shop, apparently, comes also from its customers. They praise the variety of merchandise upon its shelves. They say some items, like coffee, are fresher. They say others, like butter and bacon and potatoes, are of better quality. While the facts cannot be disputed, it is obvious the old grocer is able to supply whatever his customers really want, for the chain store can have no exclusive right of purchase, except in the field of private brands. This argument, therefore, the banker and the publisher dismiss.

Another plea for the chain store is that it has created employment. In discussing this, the friends find that, as in the case of merchandise, it is deceptive. Every position created means ultimately another lost, just as the old grocer has had to do without one boy, the farmers without a few helpers, the freight-yard without a man, and so on. Furthermore, and to the disadvantage of the chain store, the older rates of wages were higher than those paid by the new shop to its staff.

The argument, then, comes down to the question of pennies in the pocketbooks of the chain store customers against dollars which the community is losing. This is more difficult for agreement between the banker and the publisher of the local newspaper, for, while the publisher sees the pennies saved and the dollars lost, he does not follow the banker's exposition of the economic loss to the community caused by the constant export of currency from village circulation to the city. The publisher can see no difference to the customer, whether he pays to one shop or another, except that from one he gets a better price.

The banker finally resorts to a simple illustration. Taking the village as a whole, he shows the publisher that if it spends more money outside than it takes in from the outside, it loses inevitably in the long run. It cannot balance its budget, for its expenses are greater than its income. In the view of the banker, bank deposits are the source of information, reliable except that they do not include money invested in bonds and other securities.

Since the advent of the chain store, the deposits at the bank, which represent the currency of the village, have steadily decreased. Therefore, the apparent saving in pennies is made at the cost of dollars lost.

The result, thus, of the examination by the banker and the publisher is that the chain store is a liability, rather than an asset, to the village.

Summarized, the charges are as follows: the chain store profits for its stockholders at the expense of the public, the farmers, labor, the banks, the railroads, the newspapers and property owners.

In addition to grocers, whose case the village represents, chain stores compete on much the same basis in other fields. These include butchers, clothiers, haberdashers, toy and game shops, dealers in household and kitchen goods, shops for dairy products, tobacconists and drug stores. In each case, the whole community suffers in the interest of those who hold stock in chain systems.

The question, of course, cannot end with a statement of the charges against chain selling organization. There still remains the future. What does it hold?

Two reasons exist for thinking that a solution will be found for the problem. The first is the size of the public's investment in the chain idea and the number of employees involved. The second is that, with the intelligence, industry and efficiency which it took to build up the successful chains still at the command of their managements, it is inconceivable that they will give up without a struggle.

Even if the public invokes legislation, as has been done in several states and considered in others, the real solution of the problem rests with the chain stores themselves. Bad laws are undesirable because they establish bad precedents and ways are found to circumvent them.

The chain stores can attempt to fight it out on the basis of their present practices, but it seems doubtful that they will do this. They know, fully as well as other intelligent human beings, that they have become unpopular and are considered guilty of unfair practices. They know, too, that a growing disposition not to trade with them portends trouble, for it is difficult to combat an aroused public opinion.

One principle of sound and successful business awaits application by the chain stores as a way out of their land of Egypt to their Promised Land. This is the Golden Rule that business, to be profitable to one party, must benefit both parties equally.

The answer, therefore, is for the chain stores to give up all appearance of a "Public be damned" attitude and to discover ways by which their business can be profitable to themselves without damaging further the interests of others, their competitors, their suppliers, their public.

When this happens, the American housewife as she prepares to go to market will not have to worry over a billion dollars.

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Economic War Reports

Compiled by Edward H. Collins

American Front

IN THE UNITED STATES the past month in business and finance has been one of definite emergence from the deflation. The story of this "reflation," begun in bank reforms and startlingly climaxed with the departure of the U. S. from the gold standard, is to be read in the banking statistics, in the quoted rates in the New York money market, in security and commodity prices, and in the standard indices of industrial activity. The President's gold embargo resulted in renewed warfare upon the dollar in the principal money exchanges of the world, and in record activities in domestic markets. But "reflationary moves" had been noted even before this.

By April 12, according to the weekly statement of the Federal Reserve system, $1,391 millions, or 75 per cent, of the $1,833 millions in currency hoarded during the panic had returned; $632 millions, or 85 per cent, of the gold lost in the same period had come back, and member banks had reduced their demands for Federal Reserve credit by $1,126 millions, or 72 per cent of the $1,559 millions called into use during the emergency. The call money rate on the Stock Exchange, which had soared to 5 per cent during the bank holiday, was back to 1 per cent by the middle of April. Stock market prices with the meretricious assistance of a little inflation talk from Washington, were well above their February levels, and *Moody's* commodity price index, which fell to 79.4 on February 26, made a new high for the year on April 14, at 90.9. Steel production, after dipping from 20 per cent of capacity in February to 15 per cent in March, when it should have been enjoying a seasonal rise, took a new lease of life with the reopening of the banks, and by April 15 was back at 20 per cent.

In spite of talk of the necessity of halting deflation at Washington, it still remains true that so far as primary commodities and securities are concerned deflation has long since run its course. It has been purely the result of the bungling of the banking situation—first, in the form of the hamstringing by Congress of the Reconstruction Finance Corporation; second, by the recent mania on the part of state governors for banking holidays. How artificial the recent wave of deflation was is abundantly demonstrated in the figures presented above.

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German Front

CHANCELLOR HITLER was made dictator of the German Reich, subject only to removal by President von Hindenburg, on March 23, by a Reichstag vote of 441-94. Within a fortnight thereafter it had been made abundantly clear that he also meant to make himself dictator of German industry and German finance. The main strongholds of private business fell before the Nazis in swift succession. First, the monopoly of the recognized trade unions was broken, and the way paved for the "coordination" (the most frequently used word in current German dispatches) of these associations under Government supervision assured; second, the agricultural organization of the peasants and the agrarians was brought under control; third, the most important two German industrial organizations—the Langnamenverein, and the German Federation of Industries—were taken over by Nazi commissars; and, fourth, a Hitler representative, Dr. Hjalmar Schacht, was placed at the head of the Reichsbank. Of these four developments, the last-named is the one, of course, that holds the most interest for the outside world, and particularly for the United States, as Germany's principal creditor. Whether Dr. Schacht, who is expected to exercise virtual supervision over the Reich's financial policies, will permit the continuance of payments on Germany's foreign private debt is a real question in view of the recent decline in the Reich's trade balance. He made it clear, in an address before the shareholders of the Reichsbank on April 7, that he would not do so if it meant jeopardizing the position of the reichsmark. "The public should know," he declared on that occasion, "that the Reich is unswervingly on guard to preserve to the working and saving German people what they have saved."

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British Front

GREAT BRITAIN'S foreign trade policy these days is a curious admixture of free trade and protectionist principles. More than ever of late has Britain been moving in both directions at once. There has been, on the one hand, the Enabling Act giving the government power to enforce an embargo on trade with Russia. This act up to now has been used as a threat rather than an actual weapon, and the cause of its being is not commercial; but its tendency is certainly more in the general direction of strangulation than of fostering world trade. Again, a great many British nationals have been boycotting German goods in retaliation for the measures taken by the Hitler government against Jews. If the exchange of goods with Russia and Germany is reduced to any important extent, it will be expensive indeed for Britain, as she has at least £15,000,000 short term credits outstanding to Russia and a vast amount of short credits and long term loans to Germany. The quality of these obligations would naturally suffer if the trade reprisals were hotly prosecuted. On the other hand, Britain has been making a few significant gestures toward the reduction of nationalism and an increase in the freedom of trade.

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French Front

FRANCE OFFERS one explanation for the paradoxical situation in which the leading nations work feverishly to keep out one another's goods the while they give every appearance of coöperation to make the international

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economic conference a success. In France the policy has consciously been followed of getting tariffs and other trade impediments up as high as possible before the conference convenes in order that its bargaining power may be greater. France has recently been busy competing with Germany in raising tariffs, and has found in the Hitler-Hugenberg government a worthy competitor. France, the home of that most drastic of trade throttlers, the quota, has been studying a new device to reduce still further the international exchange of goods. This new plan embodies a tax on import licenses, and its significant feature is that it makes unconcealed use of the tax for revenue rather than protection.

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Latin American Sector

FINANCIALLY THE OUTLOOK in South America has darkened considerably in the past month. In Cuba, the Government has authorized a moratorium on all mortgage debts, both personal and corporate, and the Government has received authority to suspend payments on its own external obligations. Whether circumstances will require the exercise of this authority remains to be seen.

In the case of Colombia, the conflict with Peru has assumed more serious proportions. The struggle is taking place in the upper Amazon basin, one of the most inaccessible and unhealthy parts of the world; the cost of this little war is altogether out of proportion to the economic values at stake.

In Brazil the coffee problem looms larger and larger as time goes on, with estimates of accumulated Brazilian coffee stocks now reaching the stupendous figure of 36,000,000 bags of 132 pounds each.

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Austrian Front

WHAT IS HAPPENING in Austria these days is instructive because the acute phase of the financial and trade crisis reached that country first and the adjustments are, accordingly, farther advanced. Austria, for example, is relaxing its foreign exchange restrictions, having concluded that it is better to suffer devaluation than to assume the burden of supervising all dealings in foreign currencies. Austria has carried out its bank reorganization more completely than any other country, even including the United States.

For 1932 the budget deficit was 15,000,000 schillings, compared with 322,000,000 in 1931, and expenditures in 1933 are set at 1,329,623,000 schillings, against actual expenditures of 2,330,000,000 schillings in 1931. Austrian trade is responding a bit to the sweeping readjustments to present day conditions which have been made, for exports have shown a slight recovery and there is a steady decline in unemployment. In Jugoslavia the adjustments have not been carried so far.

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Canadian Front

IT SEEMS to be virtually impossible to keep politics out of the world's banking systems. In Germany, although the Reichsbank has long been regarded as autonomous, one of the first moves made by Chancellor Hitler, once he had consolidated his position politically, was, as noted elsewhere, to place his own appointee at the head of that institution. In the United States, although his position was supposed to be non-political, Eugene Meyer, Jr., Governor of the Federal Reserve Board under Mr. Hoover, seemed to feel that it was incumbent upon him to step out of office with the coming of the Roosevelt Administration. Now, it appears, that Canada, not satisfied with its splendid banking record, wants deliberately to inject a little politics into the machinery.

Agitation is widespread in the Dominion for the establishment of a central bank, and proposals for such an institution will be examined shortly when the Canadian banking laws are brought out for their decennial revision. In some instances this agitation is based on sound banking considerations; mostly, however, it seems to be inspired by the hope that a central bank would be susceptible to political influence.

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Far Eastern Sector

JAPAN'S "DEPRECIATION BOOM" of 1932 shows evidence of continuing through 1933, though on a reduced scale. Foreign trade returns for the first two months of the year were marked by an increase in the import balance of 126,647,000 yen. Some industries are already considering an increase in production restrictions, notably cotton spinning, and economists profess to see shadows in the as yet generally roseate trade picture. Inflation, they point out, has never yet provided the basis for a sound prosperity, and as living costs and labor costs rise they foresee a real possibility of "a depression amid high prices." Meanwhile, notice from India of the abrogation of the Indo-Japanese trade agreement has shown Japanese traders that currency depreciation as a trade weapon can cut two ways. Japan, within the last few weeks, has announced a reversal of the millennial process of beating its swords into plowshares. It is planning to change the content of the empire's small coinage from 20 per cent nickel and 80 per cent copper to 100 per cent nickel. The reason? To build up reserves of metal with which to make casings for rifle and machine gun bullets. The present coinage will be melted down to make "cupro-nickel" cased bullets. The cupro-nickel cased bullets will be distributed among the Manchukuo armies, while the Japanese themselves will use nickel cased bullets. The cupro-nickels will shoot 1,000 yards accurately; the nickel-cased bullets will shoot 6,000 yards.

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Scandinavian Sector

THE MOST IMPORTANT DEVELOPMENTS from the standpoint of business in the Scandinavian countries have not been trade agreements and reprisals, but undertakings by the various governments internally to improve business. Sweden especially is proposing to attempt what Mr. Hoover referred to as "squandering one's way to prosperity," and for the policy adopted the government has naturally looked to that advocate extraordinary of state expenditure, J. M. Keynes. An outlay of 295,000,000 kronor ($78,900,000 at par) for public works is planned, and an additional 10,000,000 kronor ($2,680,000) is to be made available in loans and subsidies to private firms who can create work. On the public works plan it is calculated that 90,000 men will be given employment directly and indirectly. In Denmark the chief measure that has been taken lately to bring relief is to let the krone fall in terms of sterling, by virtue of which it is estimated that the farming income will be raised 185,000,000 kronor ($49,580,000).

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To See or Not to See

By Cy Caldwell

For Services Rendered

Play by W. Somerset Maugham. Presented by Sam H. Harris at the Booth Theatre.

This sad, disagreeable fable of what happened to a rather dreary collection of characters is competently fabricated to show what sometimes follows after stupid old men have made wars for young men to die in. As a comment on war's aftermath it is true enough to please pacifists, yet never stirring enough to annoy militarists, Apparently intended as a bitter condemnation of war, it never warms up to fighting heat; says nothing that already hasn't been said in dozens of tiresome post-war English novels. Mr. Harris has assembled a grand cast to wrestle with the author's despairing and unoriginal grumbles before three spacious sets by Livingston Platt. Ably directed by Robert B. Sinclair, this fine cast redeems a sour play, rescues it from its own inherent gloom, and makes it worth seeing. Fay Bainter is superb as the girl whose fiancée was killed in the war and whose second choice committed suicide, driving her insane; Roland Young stumbles about effectively and pathetically as the V. C. blinded in war; Jane Wyatt couldn't be better as the young woman who elopes with a married bounder because the war had depleted the supply of eligible young men; Elizabeth Risdon is effective as the bounder's wife; and every member of the cast is helpful. The only one who isn't playing in tough luck in this sad saga is the servant girl, who calmly serves tea and evidently is quite unaffected by the surrounding sorrows. Too obviously For Services Rendered is deliberately manufactured pacifist propaganda, harping forlornly on one string; but don't let the play deter you from seeing the finest acting in town.

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Strange Gods

Drama by Jessica Ball. At the Ritz Theatre.

Strange Gods began with an actor prostrate on the stage, and by eleven o'clock the drama had joined him. It had crept forlornly from the outside of the Williams' cabin in the Pine barrens of western Florida to the inside of the nearby Carrington's lodge, and then back to the inside of Williams' cabin where Maw Williams lay dying, accompanied by the play. Young Jason Williams, of the cabin, was taking book-larnin' from Mrs. Zillah Carrington of the lodge, though his old mother warned him twarn't natcherl fer a no'count like him to be a pinin' arter no book-larnin' from no strange wimmin, nohow. When he fell to reciting Tennyson, I feared it was all up with him; Tennyson and city women invariably prove fatal to young men in cabins. Earlier this year during the perpetration of a drama called Two Strange Women I had seen a promising youth practically ruined in a cabin; so I knew that Jason, piously raised in a moss-covered 48th Street cabin designed and moss-covered by P. Dodd Ackerman was not headed for the Presidency, or even for a long run on Broadwey. When Zillah's husband, a neurotic butterfly hunter, who obviously had been kicked on the head by one of the insects, committed suicide because he no longer loved his wife, Jason, his mind weakened by book-larnin' an' sich, shouldered the blame for Carrington's murder to save Zillah the sorrow of learning that her husband hadn't loved her. But Zillah learned the truth, had Jason freed, and went off with her lawyer—which was a break for Jason. John B. Litel's characterization of the lawyer was good. The rest of the acting was handicapped by the play.

Three-Cornered Moon

Comedy by Gertrude Tonkonogy. Presented by Richard Aldrich and Alfred De Liagre, Jr., at the Cort Theatre.

The amusing story of that mildly lunatic Rimplegar family of Brooklyn, a dizzy group who lose their money in the first act, have to go to work in the second, and thereby find themselves by the third. That is, they find themselves so far as people like the Rimplegars ever can find themselves. At least the three boys have jobs, Elizabeth has turned away from the moony young would-be but probably wouldn't-be novelist, and Mrs. Rimplegar is enjoying a quiet lunacy of her own, undisturbed by the various insanities and emotional storms that surround her. If the play itself is rather weak—in fact, it falls flat on the floor in the second act—the characters who prance through this likeable skylark redeem it. They live, they're human, they're lovable. Miss Ruth Gordon is perfect as Elizabeth, Miss Cecilia Loftus as the dreamily detached mother delights with every remark and gesture, and Ben Lackland, Richard Whorf, Brian Donlevy and the others give very happy performances. If you're not too hard to please you'll be able to laugh heartily at this often witty, and sometimes silly, little comedy.

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The Three-Penny Opera

Based on John Gay's The Beggar's Opera, by Bert Brecht. Music by Kurt Weil. Presented by John Krimsky and Gifford Cochran at the Empire Theatre.

Adapted into English by the producers, this 200-year old English satire whose modernized German version had a long and successful run in Berlin must have lost something in transit, or else Germans find humor where I don't, and take seriously what I find ludicrous—Hitler, for instance. Supposed to be an amusing satirical burlesque, this peculiar hybrid seldom amused, often bored. The bright tuneful music was interesting, different, always pleasing; skipping in gaily between dreary stretches of old-fashioned dialogue, it gave a semblance of life to the production. When the music stopped, the thing was two centuries old, and looked it. Instead of gaiety there was a sort of brooding communistic complaint in the drab rags the beggars wore, in the signs they carried, even in the scenery. A dull and wearing affair indeed. Josephine Huston singing the Lucy song filled the only noteworthy moments, though Robert Chisholm and Rex Weber deserve commendation for their labors —and labors is the right word. Steffi Duna came from Vienna, *via* London, to do her little best but only succeeded in reminding me of Mr. Hearst's admonition to Buy American.

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Oliver Twist

Monogram Picture

Those of us who as children read Charles Dickens, doubtless treasure memories of his unforgettable characters and the old England in which they moved and had their being. These are precious memories, to be awakened sometimes by re-reading, but never to be tarnished by spurious film rehashes. If Oliver Twist is transferred to the screen, it should be done so as to awaken memories, not to distort them. This present attempt is badly cast, poorly acted, indifferently directed. I doubt if any American cast could do justice to Oliver Twist which, like Cavalcade, demands an all English cast, or nothing. Here the total result is next to nothing.

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The Party's Over

Comedy by Daniel Kusell. Presented by Mr. Kusell at the Vanderbilt Theatre.

All patient and long-suffering men who have supported practically useless relatives are advised to collect their parasitic family burdens and take them to see The Party's Over, a laugh filled good natured indictment of the human ivy species, from the nitwit father and the D. A. R. mother with delusions of past grandeur, to the amorous daughter who marries a non-commercial crooner, and the half-baked brother who weds a slangy waitress. This engaging group is fastened leech-like to the back of the one worthy son and brother of the family, until business reverses force him to declare that now is the time for all good men and women to start Reconstruction Finance Corporations of their own, for this particular party is over. I recognized no less than three of my own depressing relatives portrayed in the characters, and therefore enjoyed myself hilariously. Effie Shannon is a mother to make any child leave home; Peggy Conklin and Geoffrey Bryant are children that are worthy of their parents; and Ross Alexander is what a budding crooner actually must be. Harvey Stephens as the patient son gives an outstanding performance; I was impressed by the quiet, natural manner of this capable young actor. The entire cast is a worthy one, and the direction of Howard Lindsay brings out all of the humor of this amusing little play that I recommend warmly to your attention.

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The White Sister

Metro-Goldwyn-Mayer Picture.

Again Miss Helen Hayes is back on the Italian front during the late war, and again she is having love troubles with Mr. Clark Gable. But this time it is Mr. Gable who fails to survive, turn about being fair play. Perhaps it is because this picture version of the late F. Marion Crawford's tear-filled novel is so reminiscent of the excellent work of these two players in A Farewell to Arms, that The White Sister is not as emotionally effective as otherwise it might be. Still, it is a sadly beautiful and often moving drama, told with a delicacy and tenderness that should appeal more to women than to men, as the novel itself did. It is the story of a great love between a girl and a soldier who goes to war; he is reported killed, and after two years returns to learn that the girl has taken the veil. Her vows cannot be rescinded, so the young officer goes his way, to meet his death in an air raid. Miss Hayes gives a sensitive, wistful and affecting performance; Mr. Gable, as the young lieutenant, is forceful and believable; the direction, photography, and settings are worthy of the finest photoplay. And yet there is something unreal and motion-pictureish about the production as a whole that at times seemed to remove it completely from the realm of actual life. I could never quite believe in it, never so lose myself in this sentimental tragedy that it seemed other than merely good acting in a modern version of a very old-fashioned tale.

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"M"

German picture with English titles. Nero Film.

Brilliantly directed by Fritz Lang, "M" is the intensely interesting study of a maniac who kidnaps and murders children. It is based on the Dusseldorf child murders of some years ago. Not the least remarkable feature of this unusual picture is that no murders are shown, none of the conventional devices for inspiring terror are employed, and yet the suspense that is built up and held throughout is so intense that the picture becomes painful to watch. It is human, real, in every smallest detail. An early sequence showing a mother preparing a meal for a child whom you know has been enticed away by the maniac is one of the most harrowing scenes ever filmed—but all you are watching is that poor mother moving about at her simple, homely tasks. The horror is suggested, never seen. The plot is the least important part of the picture; the underworld, disturbed by too zealous police attention, track down the murderer for their own protection, try him in a kangaroo court, and are surprised by the police who arrest the madman, who is condemned to death. Peter Loree as the maniac gives a splendid performance, one of the most brilliant ever given by any actor; and the handling of the other roles and every detail throughout is excellent. It is not as pleasing entertainment, but as a study of technical and acting perfection, that "M" is recommended.

Gabriel Over the White House

Metro-Goldwyn-Mayer Picture

Three rousing cheers for a photoplay that says something that is timely, original, and interesting, even though we cannot accept its pronouncements as much more than childish wish fulfillment. What American taxpayer wouldn't like to see the President of the United States solve the unemployment problem, line the principal gangsters up against a wall and shoot them, terrify foreign diplomats with a demonstration of America's air power, and force the payment of the war debts? In the world of the cinema, where such perplexing problems are solved merely by turning a crank, all of this is accomplished in a finely photographed and directed picture that is well worth seeing for its originality and melodramatic strength. It tells the story of President Judson Hammond, easy going party politician who drives his automobile at 98 miles an hour, wrecks it, suffers concussion of the brain, recovers to get rid of his scheming cabinet, and performs the wonders noted above. He dies after signing his name to a world disarmament covenant, and proving that Hollywood rushes in where Washington fears to tread. It is hinted, by the sound of music, that the Angel Gabriel is hovering over the White House and is prodding President Hammond (Walter Huston) along the paths often advocated by Mr. William Randolph Hearst's editorial writers; and as the jingoistic propaganda unrolled I wondered if Mr. Hearst wasn't nudging Gabriel. As Mr. Hearst's Cosmopolitan Film Co. produced the picture for M-G-M, there may be a sound basis for this suspicion. To the man who supplied Richard Harding Davis with a complete war in Cuba, directing the movements of an angel would be a task of minor importance.

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Central Airport

Warner Brothers Picture

About what you'd expect when dear romantic Hollywood turns its camera on the more daring side of the flying game, with its usual quota of stunts, wrecked aircraft, dead or damaged pilots, and love interest. It's a good box-office picture, and mildly entertaining if you haven't seen too many of the cinema's standard aerial disasters. The only wonder is that anyone in the aviation industry should connive with the movie people thus to malign the airlines and discourage and frighten anyone who might contemplate going somewhere by air. Here, for instance, we see an airliner, a tri-motored landplane, wrecked in the Caribbean Sea, with two drowned. The airlines do not fly land planes oversea. Furthermore, daring youths just out of school do not become factory test pilots and first pilots of airliners carrying passengers, as a young actor does in Central airport. If audiences take this picture seriously, it will be a great boost for the railroads.

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The Mind Reader

First National Picture

This intelligently written and directed expose of the mind-reading racket should be good medicine for the 30,000,000 free and enlightened American citizens who are estimated to donate some $125,000,000 yearly to the support of charlatans. It concerns the activities of one Chandra, forcefully portrayed by Warren William, and his henchman, played amusingly by Allen Jenkins. While The Mind Reader is no more than an average program picture, of but little interest to the adult cinema patron, it has an educational value—allowing that people who believe in mind readers are capable of taking aboard any education, which, of course, is a matter of question. However, let us not be too high hat about this clairvoyant racket. There are at least another 30,000,000 of us who used to ask the stock broker to gaze into the depths of the crystal ball and let us know which way Monkey-Ward was going to jump.

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Ringling Bros. and Barnum & Bailey Circus

At Madison Square Garden

Just a couple of blasts on the old steam calliope to remind boys of all ages that the circus is in town, bigger and better than ever; which is to say that it appears to me exactly the same as it has looked at any time during these last 35 years, and undoubtedly many, many years before I saw it. In a chaotic world only the circus and the air in the subway remain unchanged and unchangeable, the same yesterday, to-day, and apparently forever. Certainly much of the circus boasts ancient and honorable descent: the parade and "grand triumphal entry" dates from the *pompa* or procession that passed along the forum to the *Circus Maximus* near Rome in 329 B. C.

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Charity in the Market Place

Helen Hall, of the National Federation of Settlements, presents a new case for cash allotments for our growing army of the unemployed.

By Helen Hall

IN BRITTANY LAST SUMMER I followed two very old women around a fish market. They were tiny, with proper white caps set above faces resembling dried apples. They handled and pinched and turned over almost every little fish in the market. They visited each fish cart, picked up the fish, inquired the price, studied them, head on one side, glanced at each other knowingly, dropped the fish and went on to the next stand.

It was all done with tremendous gravity and intentness, there was nothing frivolous or light in it. I became so interested I couldn't leave them. They were starting out, to my chagrin, when an acquiescent look passed between the two old parties and I sensed that the right fish had been found. They each took two, the price was murmured between them and they lugged out old leather purses from retired nooks on their persons. As nearly as I could tell, a sou for each fish was made in settlement, and, with no pother about paper or such, they pattered around to the back of the market. There they clambered down over the rocks where they cleaned the little fish in the sea.

Back they came, sabots clicking on the rocks and the fish stuck each on a finger through the gills. By this time I was far too interested to leave them, so at a decent distance, I hurried along behind. They had been deliberate in the market but now they scurried, for lunch was in hand. When at last they darted into a tiny house, I felt a sense of injustice at having to stay outside with the sabots and miss the final adventure of those perfect fish!

Every woman knows what kept those two old Bretons keen and trotting. They were practicing an art which is almost as ancient as cookery and child rearing, but which we are treating with violent hands in the United States today.

This winter a group of young married women who belong to a club at University House, and who now live in various parts of Philadelphia, were discussing unemployment.

"Which do you think is the right way of giving relief," I asked, "through grocery orders or through cash?"

There was a silence, and then one of them spoke up.

"Grocery orders, I think," was the answer and the others agreed with her, as we went around the circle.

"Well then, Minnie," I said, "you would prefer a grocery order to cash?"

"Oh," she said, "not for me. I thought you meant for someone else."

That threw a new light on the discussion.

"We didn't know you meant for us," they protested in chorus. "We know what our families need, and we know the cheapest places to buy. The papers say, though, some people waste what's given them, and they do."

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From that point the evening turned into a friendly but thorough discussion of families who were getting unemployment relief, and who were neighbors of theirs. They had the kind of first hand information that few relief administrators can hope to gain. They were also sterner judges than most of us would dare to be. People who were "on the Welfare" and drank, and they unearthed two such from their neighborhoods, were given scant shrift. A woman described as too lazy to buy carefully and cook well was, figuratively speaking, crossed off the list without a hearing. But as they settled down to the job of being judicial, they discovered that most of their neighbors were as equal to spending wisely for their families as they felt themselves to be.

As we talked, another side of the question came to light. One young woman told of her next door neighbor but one, who nowadays puts off her shopping until she thinks there will be no one else in the store. You can see her hanging around in the back until everyone else is waited on and trying to cover up the Welfare slips that she must use instead of cash. "They're the kind that never needed help before."

Grocery orders relentlessly advertise the plight of the unemployed, but there are other ways in which we distribute food which still more glaringly set them off from the rest of us, and from their own normal way of living. The commissary is taking the place once held by the soup kitchen and the bread line as a scheme of mass feeding. The latter have long been frowned upon; but the commissary is widely advocated as a new and desirable method to spread more nutrition at less money!

We have been going through a trial and error process in our emergency schemes of assistance since 1929. At first most of the work of distributing relief was carried on by private charitable agencies; then by voluntary emergency organizations; then as the burden grew, by public relief bodies. Few of these have taken over the standards of cash budgeting developed in normal times,

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although cash wages have been paid for work relief. Recourse has been had, increasingly, to relief in kind and this has been largely limited to food. The grocery order is given instead of money, a slip calling for specified articles and honored at the retail stores. There is also the system where boxes of staples are made up and sent out to the family at varying intervals. Next comes the commissary, a food supply station opened up by the relief authority, where the unemployed must stand and wait their turn for a dole of groceries.

It has been our American instinct for short cuts, in the midst of a difficult situation, which has speeded up the spread of such methods. Without thoroughly analyzing the experience of other localities, one community after another grasps at something which seems to offer economies. Detroit sets up a Welfare Cafeteria and then abandons it, but the example is set. Grand Rapids launches scrip commissaries and the plan is heralded everywhere by the press, but not the later report of a hundred leading citizens recommending its discard. New Jersey enacts a law permitting local units to employ the commissary, and tries it out only to find it "unsound," its economies questionable, its effects "destructive of the clients' initiative and hurtful to the trade of the community." But, the neighboring state of Pennsylvania enters full tilt on the same course, and today commissaries are being opened, and agitation for them is going forward in various parts of the country.

These schemes of food supply are, of course, of various sorts, some few having dietary experts in their set-up, but even in the few instances where the rationing is excellently organized, whether through commissaries, boxes of staples, or grocery orders, it is almost certain to undermine initiative and self-reliance to the point that may well count against any present savings and cost us infinitely more in the long run.

I ought to have been satisfied when the old French women left me outside the door with their sabots, for I had probably seen the important part of their day. The flavor of those fish as they met the gums was not all that was involved in the transaction. There was a zest and gusto in the buying which came before the cooking. They had met the community and matched wits. They had weighed, considered and decided. If the fish were good it stood, not for calories alone, but for personal triumph and achievement. And tomorrow, the game was to begin all over again with the same chance of winning.

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To those whose lives are very full it may seem an insignificant thing, this buying of two small fish. But in passing, I had noticed that even among the most fortunate of us there are few who do not show some keenness in the ordering of a good meal. Quite apart from that, however, let us visualize some of the chances for choice, interest, and use of their planning powers, of which we are robbing our unemployed neighbors today when we do their food purchasing for them, and make no allowance for the other essentials of life.

It is a tradition with the working man that his wife handles the family budget. It is up to her to make it go round. In my neighborhood the women are autocratic at this point. They expect an unopened pay envelope at the end of the week. From this, in all fairness, is handed back the man's spending money. I remember one woman telling me how her husband had once opened his envelope before giving it to her. "I taught him better than that," she said, "I just hands it back to him and says, 'That's no good to me,' and he never done it again." There may not be many such disciplinarians in the neighborhood, but the women do attain supremacy at this point because they assume the responsibility for paying the bills. They see the rent collector, the insurance agent, the deliveryman, and they do the shopping at the stores.

The family waits to see how the mother has spent the money when she comes back from market. The children of neighbors tell me that, "If Mom gets a bargain when she markets Saturday she brings a surprise." There is prospect then of some little fruit or sweets. The marketing adds a bit of expectancy to their days. And with our women, as with the old fish buyers, there lie small triumphs and satisfactions which help carry along their none too easy tasks.

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There are pleasant associations in the handling of a family's business; friendly badinage with the milkman or baker, the gossip at the grocery. Little things to write of, each one in itself, but not small in their effect on the human spirit.

Associations of this sort are a part of the husband's day too, when he has work. Laid off, he gradually drops out of touch with the going world. One of our neighbors gets on his paint covered overalls and painting cap each morning and walks through the neighborhood as though he had but that moment stepped off his work. His wife says, "It don't feed the children none but it keeps him more contented like."

This dislocation from the day's work would not happen to both husband and wife at the same time if she continued to manage the family budget, which she would do under a system of cash relief. Even though he were out of work and theirs was a collapsed budget, she would still have her job and be a much more spirited and adequate person for the holding of it. Instead of which, under our ways of giving help to the unemployed, the pleasantness of her associations fades and gradually turns into something ugly and threatening. They owe the milkman too much for any friendliness between them. The landlord stands ready to evict them. The insurance has lapsed. The grocer, unless they have to get their food from a central supply, is the only one in the neighborhood who still seeks their favor. Even here, with a grocery order, the relationship is not quite as it was, but at least if they have been faithful to him he is there to stand by them if relief stops altogether.

We know that the family's normal development is dependent upon work, that worklessness is the real tragedy, but if we cannot supply work why not administer relief so that their unwanted dependency may do them as little harm as possible? If we want to pre-

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serve the qualities essential to future independence we must provide a minimum of cash to take the place of the lost wages, let the family use their own powers of decision and choice as much as possible, and thus give them a fighting chance to keep up their place in the community. This isn't very startling. England has been giving cash benefits consistently for twenty-two years, since her first unemployment insurance acts were passed in 1911. The mother of the family goes on with her managing in spite of the father's unemployment. It is a real job these women of England have, this feeding the family, and paying the rent, and keeping out of debt when on insurance benefit. "'Eartbreaking" it is if it goes on too long, but there's a real use for their energy and initiative, a real reward for their planning. They have it worked out and can tell you of it in detail down to "the pair of kippers they can have with the supper, if he's working," and the "eggs and bit of bacon" which must be foregone if he's not; and "they go up and down the street to save a farthin'."

Nor do we have to turn to foreign precedents for cash benefits. Such a course was considered sound social practice by our case-work agencies long before the depression. It is followed in the modern provision of our mother's allowance, our workmen's compensation benefits, our old age pensions. But as the problem of dealing with unemployment in the present crisis has grown, the trend has been for the help extended to take on more and more the characteristics of disaster relief, which leaves out few but physical considerations. At the end of the fourth winter of the depression, we are still without real national planning and an integration of city, state and Federal funds, which could give some continuity to our task and take us beyond a mere subsistence level. The question now before us is can we afford any longer to indulge ourselves in the luxury of calling the problem emergent and thus find an excuse for methods so haphazard?

This down-trend has not gone without responsible protest. Last summer, the Temporary Emergency Relief Administration of New York challenged the low per capita cost claimed for the commissary in cities in other states and associated it with a "scale of relief which it would not be desirable to adopt." But in New York City today all the home relief given by the Department of Public Welfare, whether from city, state or Federal funds, is still restricted to food orders under the charter. This winter a committee appointed by the Community Council of Philadelphia took the ground that: "We should not violate the personal freedom and dignity of those who have committed no offense and who are defenseless through no personal fault; we should not properly or safely impose a dictation upon them, in the name of economy or health, which we are unwilling or unable to impose upon ourselves."

We are told that there are too many unemployed in the United States now, to initiate adequate methods of relief; rather there are too many to ignore their mental and spiritual deterioration. The question is not, whether we are able to afford anything better than commissaries or grocery orders, but whether at the end of nearly four years we can any longer afford commissaries, grocery orders, non-payment of rents, light and heat; in other words, a complete breakdown in the home life of millions of our fellow citizens. It is demoralizing enough for the man to lose his work without our taking away the woman's job as well, and denying the family any vestige of normal living.

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All The Sad Young Vice-presidents

The story of the readjustment of America's moneyed aristocracy under the stress of the depression is told by Marie L. Darrach, magazine and newspaper writer.

By Marie L. Darrach

THE LAST REPORT of the Bureau of Internal Revenue furnishes conclusive evidence that many of the families who were maintaining our social front during the delirious decade ending in 1930 have been reduced to incomes that are negligible. And from other authentic sources we learn that the shrinkage in the spending capacity of this portion of our suddenly submerged citizenry is causing much of the distress in the segment of the population which now has its head on the Community Chest.

The collapse of our moneyed aristocracy in 1929 was a sociological phenomenon different from the gradual disintegration of England's rich families after the war which was due to excessive taxation and a chronic strain on incomes. The attitude of the English to adversity, therefore, has been different from ours. Their adjustment has resulted in a revolutionary reaction to the old regime, with the dole as a remedy at the bottom of the social scale; and the adoption of living standards in the middle and upper classes, completely at variance with tradition and in violent contrast to old-established custom.

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In this country we are adjusting to depression and negotiating the road to recovery largely by returning to economic sanity in our home life.

According to the 1932 report of the Bureau of Internal Revenue the front rank of our social structure still includes seventy-five individuals (reduced from 545 in 1929) with an annual income of a million or more, together with thousands of lesser financial luminaries bracketed as low as what once would have been called the humble, hundred thousand class. And since the press continues to carry accounts of elaborate social affairs—that strings of polo ponies and expensive racing stables are still maintained in the East and South—it is obvious that we still have a substantial coterie on the top stratum, functioning much as it has done for three generations. This cannot be said of any other country in the world today.

But it is not of this stable element in our social structure that Europeans inquire most frequently. Their concern is for those high-powered Americans who figured so prominently on international playgrounds prior to 1929, the men flashing large bankrolls in every Continental capital and the women spending money recklessly in Paris for gowns, millinery, perfume and cosmetics. It seems incredible to sad-faced Frenchmen, who once fed heartily on the bounty of these, that people so substantially weighted with gold could vanish suddenly and completely into thin air. Hence their constant query—"What has become of them?"

For a time we wondered ourselves. The abruptness with which these people ceased to circulate socially, after having kept the world at high economic gear for nearly ten years, was largely responsible for pitching the country through the windshield in the first place. The retrenchments which they immediately inaugurated slowed up the wheels of industry and precipitated the initial unemployment which has been rolling up like a snowball ever since. Consequently their reaction to the depression, and their changed standard of living as it affects our economic recovery, should be matters of considerable concern.

But their whereabouts is no longer a mystery. In every city in the United States, thousands of the high lights of the Prosperity may be found, occupying again the position in life from which they so miraculously sprang in the 1920's. Some of them, as white collar recruits, are even swelling the ranks of our 13,500,000 unemployed. The majority are living in environments vastly different from those in which they took temporary rest after finding the pot of gold at the end of the war rainbow. But, with the resiliency and infinite capacity for change characteristic of the American people, the majority are adapting themselves to the economically restricted life of the intermediate stratum, between the very rich and the very poor, and apparently benefited by the lessons learned from their embarrassments.

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In this cross-section of our population, to which the new rich of the 1920's were so swiftly returned, are people of every calling. Among them are erstwhile millionaire authors, who had practically stopped writing to disport themselves in Southern Europe on the proceeds from their stock investments. Also movie stars whose fabulous salaries supported sumptuous homes in Beverly Hills, or Long Island and in Florida, and still gave these artists a margin to speculate in Wall Street. But most of them are business men and women who participated in the deals, which in 1929, netted a profit to the government of $1,578,000,000 on the sale of real estate, stocks and bonds held for less than two years; and who shared in the profits that poured into the coffers

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of the United States to the sum of $2,240,000,000 on other speculative transactions. They are in many cases the former executives, junior partners, and employees of the commercial and industrial enterprises which in the same year piled up a net corporation income tax for the country of twelve billion dollars, and whose pay checks often ran into six and seven figures.

Many of these once-moneyed aristocrats are now living on dwindling savings accounts, reduced salaries, or on incomes from investments which have shrunk to subnormal proportions. Well-worn suits, cobbled shoes and re-inforced linen is what the quondam well-dressed man of 1929 is now wearing, even when he still appears at such country clubs as have managed to survive by waiving dues rather than close their doors.

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Families once housed in imposing domiciles are living in modest rented apartments; in homes that the banks are threatening to take from them; or in simple cottages built originally for week-end outings. Most of them have one car, but it is of inexpensive make, and seldom a current model. A single telephone sometimes serves three families who share the expense, and long distance calls to London, Paris and ships at sea are no longer indulged in.

Middle-aged matrons, who for a few years reveled in a retinue of retainers, are now doing their own work, with occasional "help" at fifty cents an hour. They have become budget-conscious for the first time in their domestic careers, and keep an eagle eye on the laundry and cleaning bills and on the kitchen commissary, where extravagance once ran riot. They shop for cash in neighborhood stores instead of ordering from the city over the telephone on charge accounts, and they are as excited when spinach goes down a point as they were a few years ago over the antics of General Motors and A. T. & T. They shampoo their own hair, manicure their nails, and "reduce" by running the vacuum, wheeling the perambulator, and preparing the meals.

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It was these people, reduced to the precarious condition of just getting along, after having reached undreamed of financial heights, and tasted the joys of social significance, who originated the slogan "It's smart to be thrifty." And with the stamp of fashion upon it, economy became so popular that it well-nigh ruined the country. Servants were discharged without warning; expensive cars were stored; household maintenance was drastically reduced and women who had been buying quantities of expensive wearing apparel refused to purchase even a pocket handkerchief. At first, as a result of the wholesale dismissal of household help, only butlers, maids, governesses, chauffeurs and foreign chefs cluttered up the employment agencies. These were soon joined by manicurists, store employees, bank clerks, doctors' and dentists' receptionists, trained nurses, secretaries and stenographers. Then teachers, librarians, newspaper men, advertising writers, and steamship officers were searching the Want Ads. And as the process of retrenchment grew more concentrated, prices went down, more retrenchment was precipitated, and wage cutting and unemployment became general, until industrial workers everywhere were idle, and great numbers of well-dressed men and women were out looking for employment. It is the realization that an astonishing number among the unemployed in every city in America once lived beside them on Easy Street that has finally roused those who still have jobs and incomes, although reduced ones, to realize that this generation, as Walter Lippmann said in his recent Charter Day address at the University of California, "has an appointment with destiny."

While a return to the simple life has been bad for business, the restoration of a sane regime after their orgy in the realm of high finance has been good for the souls of this generation of money-makers. Because of their participation in the common struggle of making ends meet, the impersonal attitude of one woman to another, so long the vogue in America, is passing, and something of the old camaraderie of pioneer America has been restored to their social relationships. They are interested in their neighbors as they have never been before—cultivating the people in the next apartment, whether or not they have mutual friends. And human beings in distress are no longer starving Armenians, impoverished Russians, or plague-ridden Orientals, but the family around the corner whose bread winner has been out of work for several years.

Hospitality is simpler and more sincere in the homes of young married couples, reduced to counting their pennies, after a snappy interval of burning up banknotes. When the salary and bonuses of the husband were of princely proportions and the wife had a generous allowance from prosperous parents besides, ostentation was the keynote of their entertaining, and elaborate menus and gallons of "drink" were imperative even for an informal dinner. Now, soup, salad, a casserole dish, dessert and coffee is considered adequate for any occasion. Nevertheless, the mild orgy of contract bridge recently precipitated by a dapper young card expert as a coast-to-coast diversion shows that the social atmosphere has begun to thaw, and the quantity of small change it has put into circulation in feminine circles is finding its way to department stores and specialty shops.

However, these one-time sponsors of ultra-modern entertainment are still listening to the radio and working jigsaw puzzles, instead of going to the theater or even to the movies. In consequence the lights have not only been dimmed on Broadway, but legitimate drama is just about dead all over the country, and the motion picture industry has been stricken with paralysis. But as a critical air audience they are becoming a boon to the country. Their concentration on radio is creating a demand for better programs, less raucous voices, more correct pronunciation, and less blatant advertising. There is even an indication that this class of "listeners-in" will eventually demand that advertising be curtailed, or returned to newspapers and magazines, and that further

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use of the air be denied as a medium of ballyhoo for business and private interests. They already claim that the radio should be a government agency as it is in England, for the broadcasting of such cultural, educational and informative matter as the public now gets only as an adulterated sugar coating for advertising, and because they tune in oftener on symphony concerts and lectures on current events than on crooners and nit-wit comedians, their taste is already being reflected in what is put on the air by the managers of manufactured products.

"You'd be surprised how many people never tune in for anything but the news, any more" said a mechanic, complaining of his lack of employment as he repaired a radio set, "and it ain't so much that they're economizing as that the programs are so terrible."

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The women of this coterie have long since sacrificed expensive illnesses to such a degree that private hospitals and doctors with fashionable clienteles claim that they have been saved from bankruptcy for the past two years, only by the surprising number of maternity cases in the young married set. In spite of the claim that the birth rate is low only in hard times, in the gaudy life inaugurated by this period of Prosperity there was no place for children. But now with the graph of depression still low the birth rate is rising rapidly in that group which still patronizes an exclusive medical fraternity. Whether it is because the young women have fewer social distractions, and this unoccupied time seems opportune, or because the price of having babies has been so greatly reduced in fashionable circles, it is difficult to say.

Also a report from Reno states that divorce in the class that could once afford excessive alimony has fallen off appreciably. The total number of divorces filed in Reno in 1932 was only 3,214 as against 4,745 in 1931—about one fourth less. And while this means a loss of approximately $40,000 in filing fees to lawyers, and so registers as a professional depression, it, nevertheless, indicates an improvement in the morale of those who once made lucrative the business of restoring single-blessedness to the unhappily married.

But it is the readjustment of the youth of the prosperity era to the depression that is most significant. As the offspring of the money maniacs of the 1920's they began life as prospective heirs to millions still to be made in Wall Street and were equipped only for a career of fantastic prosperity. Now they find themselves facing conditions verging on bankruptcy, in a world that seems to have little use for their talents.

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Not long ago, against a background of colleges and fashionable boarding schools, they were making things hum. Splendidly financed with checks from home, and believing with their parents that they could "eat their cake and still have it," these striplings put on a spectacular show of their own. Duplicating all the extravagances of their elders, they developed an ego unsurpassed by the youth of any time, or country; established a reputation as a generation of free spirits, and became the exponents of a modern school of manners, morals, speech and dress, which threatened the country with a future aristocracy of vulgarity.

Their first reaction to the slowing down of life in 1930 was like that of a man from whom strong drink has been suddenly removed. Dazed by changed home conditions, inarticulate as a result of empty wallets, and unable to move without motor cars, they were the most pitiable spectacle of the panic for a while. Later, when they actually wanted to work, and could find nothing to do in business, industry, the arts or the professions, their bewilderment was complete. The idleness that has been forced upon them has put a great strain upon the philosophy which was the boast of this section of the post-war generation. Young men in a like predicament in former times hiked West in search of fame and fortune. But there are no longer western frontiers to conquer, and "taking to the road" has a sinister implication never associated with the adventurous trek of the old pioneer. "Going to sea" was another old time outlet for the youth whose horizons had closed in upon him. But ocean channels no longer lead to alluring opportunities in foreign lands or to the golden chance that appears once in a life time. So "What to do?" has become an acute problem for regiments of young people, who so short a time ago were finding twenty-four hours all too short into which to crowd a day's breath-taking activity. They have practically abandoned pocket flasks, necking, sex experimenting, and joy riding as having no place in their future program, but are preserving all the hard-boiled theories formulated while they were sophisticated participants in a life of prosperity.

They are no longer contributing to the consumption of commodities to the extent they were when even subdebs were speeding up the sale and manufacture of sports cars and cigarettes, and every small educational center was a miniature metropolitan center reflecting the whirlwind activity of New York. But according to vocational authorities who have been watching their struggles, the young collegian of today is a sounder proposition, and a greater asset to the country, than his elder brother, who in the 1920's was making a spectacular success as a bond broker, customer's man, or shoestring speculator in Wall Street.

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The president of an eastern college said recently, "They have no illusions about Big Business; no fear of its bogies; no awe of corporate interests' amalgamations and mergers; nor any belief in the sophistries of people wealthier than themselves. And they are talking things over with each other rather than consulting those who have been tracing old government patterns instead of designing new ones to solve our modern muddles."

A Leland Stanford University graduate who has been keeping the wolf from the door by collecting bills and making out income tax blanks for bewildered old ladies, instead of defending prosperous clients at the bar as he had expected, says:

"Every college man I know is going in for politics. We can at least do the spade work in making it the respectable profession it's always been in England, and open it up as a future career for the finest brains of both sexes in this country. If the United States were at war we'd all be rushing to enlist, at least people would expect us to, so why not wrestle with the domestic enemy that is driving us to the last ditch? After all, bad gov-

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ernment is at the root of most of our troubles; and if we dedicate our educational equipment to politics, divorced from Big Business (of which we are heartily sick), we ought to be able to pull the country out of the hole into which our bungling progenitors have pushed it. Anyhow we are getting into the scrimmage from now on, with the idea of improving the rules of the game and crowding out the rough-necks who have made a coster-monger's sport of politics and government administration."

Verification of this young man's remarks was furnished by inquiry in San Francisco. There is a concerted movement on the part of college graduates in this California city to open up the field of politics as a dignified career for the educated young men and women of the country, and to pour new blood into our governmental system. They are studying and discussing economics, attending evening classes and lectures in a School of Social Research, heretofore monopolized by Russian, Chinese and East Indian students. They are also viewing with a critical eye the wrecked reputations and the dimmed effulgence of industrial leaders and Wall Street magnates, and are commenting with intelligence on the shattered devices and demolished ideas once lauded as invincible. And they have not dismissed as an opera-bouffe joke the survey of the Technocrats.

And this is not in any sense a local movement confined to the far West, but part of a combined action on the part of the educated youth of the nation to create for themselves a field of action, which will be a substitute for the business arena.

"The very rich and the very poor in this country have had their inning," remarked one of their spokesmen; "it's our turn now." And so the representative youth of the intermediate stratum, many of whom were forced back to this position by the depression, are preparing for a sortie into affairs of government. And during the inevitable interval between their present period of preparation for public service and that of actual participation in political administration they are tackling any job from inspecting gas meters to grooming airplanes. Husbands and homes are what most of the girls are seeking, and the career of housewife takes precedent over all others, according to the latest college questionnaires.

This portion of our population, which went into eclipse four years ago and is again beginning to show light around the edges, was no such privileged class as that which has been sunk for all time in England under a weight of debt and national obligations. Our younger fore-rank, augmented for a decade by thousands of men and women, grown suddenly prosperous through speculation, was an aggregation of joy-riding individuals, with financial water on the brain, who crashed on the highway from reckless driving and have been petrified with fright ever since.

The rich new-comers to this class were people who, following the war, had been in good circumstances. They had weathered the minor financial depression of 1921-22, and had come out of it with money in the bank. The men had positions with salaries of from five hundred dollars a month to perhaps thirty-five thousand a year. They had comfortable homes, well-tailored wardrobes and moderately expensive tastes in haberdashery, cigarettes and musical shows. They belonged to country clubs, rather than metropolitan ones, played golf regularly on Saturdays and holidays and traveled only when conventions attracted them to other American cities. As participants in the World War many of them had been to Europe and hadn't thought much of it. Sizeable bank accounts and substantial life insurance policies were among their tangible assets. They were rather stodgy, with prohibition as their sole topic of conversation, and, except for their maddening devotion to business, gave their wives little cause for divorce.

The women were obviously extravagant. They spent as much as they could possibly afford on clothes, and had acquired expensive personal habits. They preferred foreign brand commodities, English lecturers and imported cars. Rest cures in fashionable sanitariums, treatments in beauty salons and playing bridge at half a cent a point consumed much of their time. They also experimented in divorce, indulged in expensive operations, cultivated a taste for Cook's Tours, and were only mildly interested in adding to the country's population.

These were the people who were transformed almost without warning into the world's greatest spenders.

Then, with the suddenness of a tropical storm, the financial cyclone of October and November 1929 blew the lid off and submerged thousands who had been occupying "dilatory domiciles" on the top for less than a decade. The debacle was so spectacular, and carried so many casualties in its wake, that it seemed for a time as if our whole superstructure had been swept away. It appears now, however, that there was a more effective retreat to cyclone cellars than we had at first supposed, and that the ultimate result has been merely a redistribution of the members of the top layer.

"Human nature being what it is, there will always be hot-cats on top,"—says the Princeton undergraduate, voicing the opinion of a well known author, in a popular novel— "the only question is—Who will they be?" This is merely an inelegant way of stating the sociological fact that stratification is a permanent feature of social organization, and that population circulates vertically as well as horizontally.

Ordinarily redistribution of membership in the upper strata is the result of a normal replacement of those who have died out socially or biologically. But in the 1920's which were marked by the social rise of the money-making classes, vertical circulation was erroneously stimulated, and there was such an intensive infiltration of new rich that Society became an annex of Big Business rather than an exclusive organization for entertaining in the grand manner. The permanency of its nucleus, however, has been proved, as, even with the submergence of all this rich material since 1929, it still retains its pre-war outline.

And into this well-populated superstructure many of the submerged dwellers on the intermediate strata will again scramble, better fitted for a long time occupancy. People can't live in a state of fear forever, and this "rich for a decade" contingent has recovered from its coma, spiritually and mentally strengthened. The man reduced by adversity to wearing a four-year-old suit, the woman to trundling the baby in the park, and the college youth to working at a service station are already stimulating vertical circulation, which will carry an entirely different type into the upper stratum and from the depression will probably be evolved a new intellectual aristocracy unknown in the history of the United States.

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Outlook Book Choice of the Month

Reviewed by Robert Cantwell

RED VIRTUE. By Ella Winter. $3.00. 332 pp. New York: Harcourt Brace and Company.

BOOKS, MAGAZINE ARTICLES and newspaper accounts of life in Soviet Russia have been so numerous in the past few years that almost any statement can be supported by evidence taken from them. Frederick Lumley, in "The Propaganda Menace," reminds us that one of the greatest newspapers in the world informed its readers of the fall of Petrograd *six times* in two years; that in the same period the city was destroyed by fire twice, starved, and revolted six times against the Bolsheviks. In 1918 and 1919—again according to the newspapers—Lenin defied time and space in a manner almost without parallel in the history of reporting. He fled Russia ten times, was captured twice, imprisoned twice—once by Trotsky—dismissed Trotsky and was dismissed by him, was kidnapped, shot at, overthrown, exiled and finally was in hiding at one and the same time—in Finland, Sweden and Spain. The same sort of hysteria has been reflected in the books on Russia, and you have only to choose your volume to learn whether the Five Year Plan has been a success, a failure, or both; whether the Communists conscript labor, or whether they are establishing a society in which labor is the privileged class.

The prime value of "Red Virtue" is that it cuts through so much of the rubbish that has been written about the Soviet Republics. Ella Winter, who is Mrs. Lincoln Steffens in private life, has evidently been exasperated by the writings of some of the previous observers, particularly by those who have judged what they saw hastily, or superficially, or with ignorance of the aims and history of the Communists. At any rate, the eighteen chapters of her book cover those aspects of the society that have been most hotly debated, and about which misconceptions are now so widespread. They cover—and cover is the proper word, for the author presents a convincing amount of detail—such questions as the position of the worker, the status of marriage, the problems of sexual relationships, the prevailing opinions on conduct, the methods of education, the incentives and the rewards for labor, the experiments in psychology.

Two features stand out as conspicuous sources of strength in Ella Winter's survey. One is that unlike the majority of travelers in Russia, she has taken the trouble to familiarize herself with the writing of Marx and Engels and Lenin in an effort to understand the theory by which the Communists are guided. How valuable this is can be suggested when it is said that her knowledge enables her to see the reasons for the laws that are passed and the social customs that are encouraged. The second source of strength lies in her very impressive powers of observation. She has seen a great deal in Russia, from the workings of the courts and the methods of dealing with criminals to the games that children play and the sort of toys they play with.

The hardships and inconveniences, so emphasized by previous observers, are by no means minimized. "Red Virtue" makes it quite clear that the Communists have faced, and are facing, tremendous difficulties in the fields of personal relations, as in the development of the natural resources of the country. The divorce laws, for example, seem to be about as confused in Soviet Russia as in this country, and alimony considerations seem to be about as awkward. The sweeping changes in the whole structure of society gave rise, in the early period after the Revolution, to some fantastic interpretations of the meaning of the new order, and to some fantastic codes of personal behavior. The chapter "Love Must Be Changed" contains an historical summary of the different opinions that have been held on the questions of sexual relationships, ranging from a forbidding Puritanism to an equally frightful freedom, with the beliefs traced back to their social and economic roots.

In the chapters on children and on the achievements in education, the enthusiasm that is implicit throughout the book rises most candidly. "Rulers from infancy," Ella Winter calls the children, and writes of the way they live, of their organizations and of their astonishing political maturity with less restraint than of other aspects of Russian life. Her enthusiasm seems entirely justified. Comments from children are invited and encouraged; it is not rare for a children's organization to rebuke an instructor, or to take on considerable tasks on its own initiative.

Public opinion remains the most powerful factor in directly determining the norms of conduct. In the list of things that aren't done in the U.S.S.R., Ella Winter lists the display of wealth and racial prejudice, with the added note, among educated circles, of an ignorance of the meaning of dialectical materialism. What are the incentives for accomplishment in a society in which wealth does not confer power? Ella Winter tells a story of a Russian engineer who discovered a process for getting oil out of the sea. "What do you get out of it?" an American engineer asked him. "Oil," the Russian replied. "I get oil out of the sea." The anecdote sums up the meaning of "red virtue" about as concisely as anything in the book. It is stirring reading; there is a real sense of accomplishment in it; it gives you a feeling of watching some great, unprecedented endeavor being carried through. And in these days, when so many books groan under various degrees of despondency, it makes a deep and valid appeal to the imagination.

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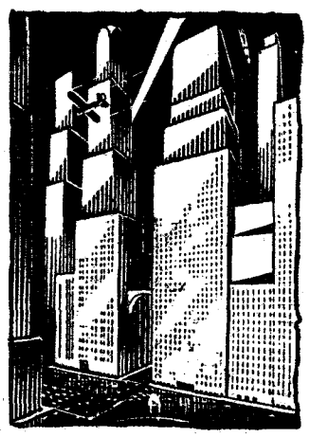
Talk of the Nation



We Had a Plan . . .

WE HAD a plan, which it is too late to do anything about now that Mr. Shaw has gone. We were more than usually busy during the greater part of Mr. Shaw's brief visit, putting, as is our wont, other people's white rabbits back into tall hats and sealing up the return envelopes, to do anything about our own little scheme to make over the Fabian dean of English letters—for the duration of his American visit—into just a nice old man with whiskers, and thereby save America.

The plan as originally drafted would have required a considerable outlay in nickels. The nickels, identified in the preliminary blue prints as Element (a) were to be deposited in the customary manner in a coin 'phone box (b) for the purpose of communicating with a selected list of city editors (c). Later we thought we would just call up one city editor, and ask, as academically as possible, what would happen if all the city editors (c) just got together and decided not to send the customary raft of reporters (d) out to meet—(g. b. s.) But somehow we never got around to making even that one 'phone call. The result—and we feel rather badly about the whole thing—is that Mr. Shaw was met by the hard working press, or rather what was worse—they tried to meet him—and thereby supplied just the kind of sounding board against which G. B. S. is always G. B. S., and not just a nice old septuagenarian with white whiskers.

Perhaps the best which can be said for the conduct of Mr. Shaw and the conduct of the gentlemen of the Press, both in San Francisco and in New York, is that it merely illustrates the conflict between two laws—old Roman Law No. 1 and the Stanley Walker edict, 16-89 inclusive, "Get that story!"

Mr. Shaw was an extremely long time in making up his mind to visit his favorite land of royalties. In the interim someone must have taken the Irish elf aside and said, "Listen, you old playwright, if you ever make Rome, be sure to do as the Romans do." Also, it is not beyond fair supposition that some members of the British aristocracy and royalty, which Mr. Shaw meets so frequently in the conduct of his duties as a socialist, must have told him that the real motto of the Port of New York Authority is, "Be prepared to be interviewed all ye who enter here."

All of the unpleasantness which this department's private disturbance detector was capable of recording in connection with Mr. Shaw's visit seemed to be traceable to the unhappy contacts between G. B. S. and the members of the Fourth Estate, and to the fact that Mr. Shaw came with a chip on his shoulder and a brief prepared speech of "Dare! dare! Double dare!"

Mr. Shaw's other prepared speech required 100 minutes to deliver, and was so delivered at the Metropolitan Opera House in New York.

The evening of its delivery and broadcast on nationwide coast-to-coast radio hookups happened to coincide with the radio debut of a "comic artist" who has great hopes of making headway in the new "sponsored by" art with such quips as, "Bernard Shore? Oh, yeah! You mean that new coast resort?" One of this department's best informants met this radio competitor of Mr. Shaw's in an elevator of the Players Club on the night of their great battle of the air waves.

"Well, Bill, it was a tough break you got," our informant condoned politely. "If Shaw hadn't been on the air—"

"Shaw?" was the answer as it has been duly reported to us. "Listen, he never even touched me!"

Anyway, we're sorry we didn't do something about *our* plan.

●

The Mayoral Style

Still, the difficulty with Shaw was not serious: he only stayed one day. But a mayor is always with us. Of late, Mayor O'Brien of New York, christened during his recent campaign "The Little Flower of Pell Street," has been complaining that the press misquotes him. In self defense the boys hired a stenographer of their own to ensure accuracy. Following is the verbatim transcript of the first statement made by the Mayor under this regime. He is describing a conference with a transit company stockholder's committee:

"Briefly, I may omit some minor points that I referred to this morning, but briefly, there was a discussion about the holders of the stock, the position of the stock with relation to the bonds, the future of the stocks, as to its value, the probable effects upon the stock by the disaffirming of the lease, the Manhattan lease. A number of people — the holdings represented by the committee, about 11 or 12 per cent, I mean by this committee. The desirability of getting in a much increased number of security holders. This is on the part of the committee, so that the views of a larger group might be learned.

"And the history of the stock and the trend from time to time. They show the same disposition, in other words, a spirit of willingness to cooperate, a willingness to meet the city's views and the city's interest.

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How far that will go of course will develop as we go along. After this discussion an adjournment was taken until April 24 at 11 o'clock."

●

Deep South

A friend of ours—a lady—has just returned from a trip down to Savannah. The idea was to get away from the jangling rush of metropolitan life and to bask in the leisure of the Old South.

She had a fine time, promenading in the live oak park, inspecting the Japonicas, snitching bits of Spanish Moss, and eating fried chicken and corn bread. But the thing that really set the tone of the excursion for her was something she saw the first morning. It was a very aged Ford, proceeding past the hotel. The date on the license-plates, which were placed, according to law, in full view both ahead and behind, was 1917. She says the driver was apparently awake.

●

Beer and the Lily-Tulips

The paper-cup industry, that great American monument to self-mortification through hygiene, is ushering in the return of beer with sterilized banners unfurled. We talked with a Mr. Doscher, of the Lily-Tulip Company, who assured us they have the situation well in hand.

The main thing is to get away from that unmanly soda-fountain association, and to this end they are planning special new holders with ships, monks, German mottoes, bars of music and similar symbols of virile conviviality on them. But there is no way of not having at least a part of the paper cup in full view at the top. This is known technically as "lip-room." If you haven't got that, where's your hygiene?

They have been experimenting around, and have found the best kind of paper—something that will not break down under the 3.2 per cent of alcohol and will not impart any foreign odor to the beer. Mr. Doscher claimed that beer would get flat less quickly in his new cups than in the antiquated (as far as paper-cup manufacturers are concerned) stein, but he didn't give us any explanation, chemical or otherwise, of why this is. Not that we would have understood anyway, probably.

The growler trade is already practically won over, they figure, to the use of cardboard containers. Speakeasies have been using them for years. The greatest single advance of late is the 18-oz. Burlesque Show Special. Six of those oz. are for foam. There is probably a lesson in that somewhere, but it eludes us.

●

China and the Free-lance

A week or so ago we met a man who, at first all unawares, has had a good deal to do with the last ten years' happenings in China. He is Maurice William, D.D.S., who lives in Brooklyn, and practises in New York, right across from Carnegie Hall.

It all started in 1918, when Dr. William was smitten by a not uncommon ailment: he decided to write a book. For years he had been a devout and faithful disciple of Marxian Socialism—until the demon of doubt began to plague his mind. He tried to put his doubt away, but it would not be stilled; so he made a searching analysis of social-political thought which finally convinced him that he—and Marx—had been on the wrong track altogether. Hence the book. He called it *"The Social Interpretation of History: A Refutation of the Marxian Economic Interpretation of History,"* and in 1920 published a small private edition of it which he sent to party leaders here and abroad with the plea that they criticize his theory and show him where it was wrong, if anywhere. The work apparently met with an avalanche of indifference, for practically none of the comrades undertook to analyze Dr. William's analysis, and the author, disillusioned with his colleagues, but confirmed in his own opinions by their silence, resigned from the Party and published a regular trade edition of the book.

This second edition made very little more stir than the first, although John Dewey thought well of it, and Oswald Spengler wrote a preface (the only one he ever did) for a German translation of it. It looked like just another little book on Social Philosophy. And Social Philosophy was not a very popular subject in the early 20's, at least as far as Americans were concerned.

Meanwhile, in the spring of 1924, Sun Yat-sen, the great leader of modern China, was delivering at Canton a series of lectures on "The Three Principles of the People"—lectures designed to reveal to his followers his plans for the future economic and social development of the Republic. Up to the end of April the tone of his discourse was thoroughly Marxian, involving most of the ideals and machinery of the Russian Soviet, and Moscow rejoiced in her powerful convert. Then, suddenly, the lectures were interrupted. It was not until more than three months later that they were resumed, and this time Dr. Sun's position was most definitely reversed towards what might be called Democratic Socialism. Early in the next year China's first president died, leaving as commandments to the multitudes of his devoted disciples his lectures on the Three Principles, embodied in the book *San Min Chu I.*

To that fact may be traced much of the subsequent strife and disharmony in China. Dr. Sun had died before he was able to remove the contradiction from what was to be his testament to his party, and the right and left wings each could urge with perfect good faith that its point of view represented the true belief of the departed leader!

For a long time it was a mystery how Sun Yat-sen, who was a thoroughly sound, as well as a brilliant thinker, could have been guilty of such apparently slipshod reasoning. But since then it has been possible to establish, by both internal and external evidence, that just after the last April lecture, a copy of Dr. William's *The Social Interpretation of History* somehow found its way, eight thousand miles from home, into the hands of Dr. Sun, and its refutation of the Marxian tenets so impressed him that he performed a complete about-face in the lectures given in August. The relationship is proved by the frequent similarities of parts of Sun's and William's words.

Dr. William had no inkling of the part he had unwittingly played in modern history until he came across an account of what we have just described, printed in *Asia,* in 1927. Immediately he plunged into the Chinese question, reading every book he could get on the subject. Now, after five years of diligent study, he is by way of being an authority on the current situation in China. A

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year or so ago he published a second book, "Sun Yat-sen versus Communism," directed towards a closer relationship between the United States and China, and giving the story of how Dr. Sun read his earlier book.

Dr. William takes his position as influencer of history very seriously, and many eminent scholars concede him the right to do so. In the course of a mimeographed paper submitted to the League of Nations last year, bearing the legend "The Cause and Cure of the Sino-Japanese Conflict," he writes:

". . . I came to realize that I must share the responsibility for every drop of blood shed through honest misunderstanding between Dr. Sun's loyal followers.

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Although he is no sinologist, and has, in fact, never visited China, his opinions are respectfully considered by many better-known men. He is not without honor in his own country.

●

Against the Lights

It was at Market and Fourth Streets, San Francisco, and the lights were decidedly against the rather elderly woman who was about to step off the curb in the face of the electrical warning, and against the traffic. The act was never completed, for at that very moment the would-be traffic violator was rudely seized by the arm and hauled back on to the curb.

Her rescuer, a middle-aged man and quite pale in the face, addressed the rescued at once, and apologetically: "Lady, it's none of my business whether you get run over or not. But down the street I just saw a woman get hers for going against the lights. I'm sorry, but I can't stand seeing another lady killed this morning."

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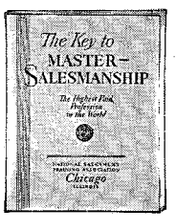

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Occupations

(*Continued from page* 2)

ent, or former, employer is under no obligation whatever to create places for those whom circumstances over which he has no conscious control, have thrown, or may throw, out of work. He is interested only in such men and women who can safeguard his investments and his personal projects. Unless he can see an immediate, or future, gain in engaging a new employee, it is cheaper for him to contribute to relief organizations, a fancy name for "charity," than to add a new member to his staff. But there is no denying that many employers are anxiously studying their own problems and sharply on the lookout for intelligent assistance from persons who have something definite to contribute towards meeting the new situation. But few have the time to interview persons who simply ask for jobs.

It behooves the professional worker to think now and to create his opportunity. In every field there are tasks and problems awaiting those who can discern them and apply themselves to meeting them. Management in the past has in many cases been wasteful and incompetent. Many have been false to their trust. The executive personnel, as well as those who are engaged in minor tasks will probably need to be trained by new methods. For present methods of service can undoubtedly stand improvement. Thus, for example, notwithstanding our boasts about our contribution to architecture, the dwellings that the vast majority of people are obliged to occupy are commonplace, unsightly, and uncomfortable. Architects who can remedy these defects will find a demand for their services. In our restaurants, large and small, food is monotonously standardized and the ritual of eating is very casual. Though a great deal has been done to make people more efficient in routine and mechanical tasks, little has been done to stimulate their own creative instinct.

Discerning professional workers will do much to alleviate their occupational problems if they will view the activities about them with an eye to discovering practical ways of doing the things which obviously need to be done. A concrete example of how one man created his own oppor-

(*Continued on page* 61)

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FIFTY TRAVEL BARGAINS

Here you will find briefly described 54 travel bargains which are being offered by the travel lines today. Minimum rates have been quoted and are, of course, subject to change. Unless stated, quoted rates are from New York and do not include tax. Use the coupon below if you desire further information on any one or more items. Simply identify the trip or tour by writing the cost and first few words as given. This service is gratis for the readers of NEW OUTLOOK.

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NAME AND ADDRESS.....

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Occupations

(*Continued from page* 59)

tunity will be of interest in this connection. A professional man, an interior decorator, has secured congenial work after two years of persistent effort during which he had to maintain himself by borrowing funds. Finding himself in the plight of many other professional people two years ago, he was obliged to look elsewhere than his chosen profession for a livelihood. Although he had had more commissions than he could handle singly prior to 1930, the demand for his services after that gradually diminished until he found himself having to borrow money with which to meet his rent. He did not immediately seek a position though many advisers urged him to do so, but took stock of his personal assets in an effort to discover in his knowledge and experience some quality having a market value. He possessed, it seemed, very little having practical value in times when luxuries were being curtailed. His two years training at a university, followed by two more studying at a high-grade school of interior decorating, during which he learned a little about interior architecture, rugs, furniture, draperies, and period style, was not an asset in a time of general financial distress. As a decorator, serving a wealthy clientele he had had much practical experience handling, buying and arranging decorative fabrics.

After a thorough inventory of his knowledge and experience he concluded that he knew more and thought more about decorative fabrics than perhaps anything else. But where could this knowledge be applied? Manufacturers, wholesale and retail firms already employed designers, stylists, and specialists to promote the sale of the finished fabric. It would be useless to ask these for a position, for most of them were curtailing their staffs. He decided to visit these places and study the design and quality of their merchandise. While doing so, he talked of designing, of planning merchandise for the consumer, and of the promotion of it through the retail shops. Through the exchange of ideas and opinions and information, he became interested in the use of rayon for drapery fabrics. He visited leading rayon companies and some of the mills using rayon in the manufacture

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of decorative fabrics. He thus learned a great deal which subsequently proved of practical value. Eventually he met a man, the head of a small company experimenting with a new though old fibre called "ramie," which promises to be a rival of rayon. In his meetings with this man he discovered that operations of the plant producing ramie were being seriously hampered through lack of funds. Having some acquaintance with corporation lawyers whose clients were sometimes looking for new industries to invest their money in, he was able to bring the operator of the ramie mill in touch with investors. To make a long story short, by helping the entrepreneur who owns the plant manufacturing ramie to secure sufficient capital to carry on his operations, insure the development of the fibre, and finance sales promotion he consequently secured for himself a contract to help develop and promote the sale of ramie. If he had asked the owner of this mill for *a position* we all know what would have happened. The moral of this story, a true one, is obvious.

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DEPARTMENT STORE FIELD

DEPARTMENT STORES, chain stores, and specialty shops are the first to profit, as we have seen, by improved economic conditions. People must buy foodstuffs, replenish wearing apparel sooner or later, and furnish, or refurnish, or freshen their homes. Retail organizations, as a whole, suffered severe losses last year, even though some had operated at a loss even before the "depression." The 1932 sales reports of others showed a profit. (One well-known chain store organization reported a net profit for the year 1932 higher than that of the previous year.)

Store organizations have four divisions — merchandise, management, finance, and publicity. These divisions are responsible for two major functions: buying and selling. In small organizations these tasks are relatively simple, but in large houses many auxiliary departments must be set up under the four main divisions, thus creating many occupations for the professional, or specialized worker.

Retail management today is interested in, and demands creative qualities in those who buy and promote merchandise and train the sales staff. The conscious trend of thought among retail executives indicates a reorganization of certain functions, thus creating new opportunities for persons who can apply imaginative qualities to "merchandising," the technical name for buying and selling. Those who are intrusted with the buying of saleable merchandise, for instance will be expected, in addition to buying what is already in the market, to have ideas for new kinds of merchandise, such as they can translate into practical terms to manufacturers who will produce the merchandise demanded. Instead of copying, or buying what every other store is buying, the "buyer" of the future will have to be so imbued with understanding of consumers' needs and wants, that he will think creatively in securing the required merchandise.

Leading retail executives assert that there is a real need in retail organizations for those who can do creative merchandising.

After merchandise has been bought it must be sold as quickly as possible if the store is to realize a profit. Many retail executives do not feel satisfied with the performance of the sales staff and feel that present methods of instruction must be changed or improved. There seems to be a tendency now to rely more on the buyer and his assistants to instruct the sales staff in the art of selling merchandise. Much more probably what is needed in each business is a person capable of teaching the sales staff how to discover and appeal to the psychology of the prospective purchaser.

The retail organization is for the young—for those who are imbued with imagination and energy, and can see adventure in the buying and selling of merchandise. Of course, there are persons who retain these qualities up to a late age.

●

FOOD MERCHANDISING

PRODUCERS AND distributors of food products must find new markets and develop those they already have. "Markets" mean the people who buy foodstuffs, or may buy. Who are these people? Where are they? What foodstuffs do they habitually use? What foodstuffs would they be likely to use were they available? Such questions as these are vexing both

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the manufacturers and distributors.

Many persons today are trained to study the source and supply of foodstuffs, their nutritive value, their general use in the diet and so forth, but few have devoted themselves, it seems, to such *a systematic and thorough study of markets for foodstuffs* as will be of value to the manufacturer and the distributor. There is a large field for this type of research.

Among professional workers who already have a considerable knowledge of the eating habits of people in their homes are the social workers and nurses. Many of these might find a new and interesting field in this branch of research. Merely gathering the information by persons who know how to collect, analyse and interpret the information thus gathered to the manufacturer and distributor, would be useless, unless this were done with an understanding as to its ultimate use.

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EDUCATIONAL FIELD

PERSONNEL WORKERS will be glad to know that Dr. Edward S. Evenden, professor of education at Teachers College, recommended, at a recent meeting of the Eastern State Association in New York City, that a personnel service be developed and maintained in each institution educating teachers. If this is done, it should create more opportunities for trained personnel workers.

OCCUPATIONS—TODAY AND TOMORROW, in *which occupational opportunities will be indicated and discussed, will appear regularly in* NEW OUTLOOK. *Miss Crone will report each month on the employment opportunities in different fields. Questions should be addressed to "Occupations—Today and Tomorrow," c/o* NEW OUTLOOK.

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A CORRECTION

8 Rue de Courty (VII'),
Paris, France.

Dear Mr. Smith,

MISS DOROTHY DUNBAR BROMLEY, in an article of the New Outlook (Feb. 1933) on "What does France want?", has mentioned, as being mine, an opinion on the "widespread corruption of the French Press." Of course Miss Bromley never was authorized by me to refer to such an opinion, which does not respond, in any way, to my thought.

I should be grateful if you would be good enough to let your readers know this.

I remain, Dear Mr. Smith, yours very truly,

(signed) ANDRE SIEGFRIED

●

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Mr. Hildesheim will be glad to give advice and answer inquiries on stamp collections. He may be addressed care of New Outlook.

Travel

(*Continued from page 6*)

greater reason for sentiment than our very own land? Can't we lay off being almost maudlin about our step-countries—about "dear old Ireland," and "bonnie Scotland" and "der geliebte Vaterland" and "la belle France"—once in seven years, let us say? Take a sabbatical year off of European travel and try to get sentimental traveling American! Since we can't always rely on patriotism that demands and enforces home-travel—the way they do in Italy and Germany and England—then if we could only make it "smart" to travel and see and *know* our America! They say that possibly only two or three hundred thousand Americans will go jaunting to Europe this year, and that they will spend not more than $500 apiece. That only means a little more than $100,000,000 taken out of America! On the other hand, let us suppose that the majority of these tourists would travel American in this depressing year instead, and distribute that $100,000,000 amongst the railroads, the hotels and inns, the motor car dealers and motor buses, and all the rest of the languishing, impoverished, bankrupt agencies and carriers of American tourism and travel? They would not only get their money's worth, but they would put new life into a chain of gasping industries and—best of all—become enthused and enfibred with some of that lusty pioneering pride and belief in one's country that the jazz life and business competition of big cities make us forget, bringing us down to the level of songs and plays parodying patriotism, life, *"Of thee I sing—Baby!"* The new anthem.

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The lakes of Wisconsin and Minnesota are numbered by the hundred and are spread like first-water gems over a landscape already adorned by a lavish display of Nature's extravaganza. From the Great Lakes to Puget Sound—across four mountain ranges — traversing the grandest scenic regions of the North American continent — Glacier National Park, Yellowstone National Park, Ranier National Park, Crater Lake National Park—Mt. Baker, Mt. Hood, Mt. Ranier—glaciers. . . . And we thought we knew America!

From the lake region we arrive by easy stages on the great plains rising gently into the Rocky Mountains, the backbone of the continent. Each moment Nature grows more primitive, more titanic, more dynamic. Mammoth trees rise on the boulder strewn mountain sides. Swiftly-moving mountain streams rush down the valleys, tearing through granite barriers and ripping the walls apart into majestic canyons, or leaping over other walls their fierce madness temporarily lost in falls and cascades that can be heard for miles. Beginnings of the great waters that form the Rivers Columbia and Mississippi, that never stop in their headlong course until they have reached the Pacific or the Gulf.

Up and up and up—6,000 feet over the foothills, the Big Belt. We come to the valley where Lewis and Clarke paused in their laborious trek along the Oregon Trail. We hurdle another peak by way of a pass, traverse a 25-mile canyon whose high walls are frescoed like the giant cavern of the Cromagnon cave near Santander, Spain. Then here high in the heart of the Rockies we come upon the greatest copper camp in the world, capable of mining 300,000,000 pounds of copper annually.

Idaho — wilderness — a surprise town—a university—insuperable barriers mastered by engineers. By the time we reach Washington we are in a region of super-waterpower possibilities that contain one-sixth of our national water power resources.

Here is Seattle, the nearest port in America to the Orient, with a population of a half million. In the words of our breezy boastful boosters: "The largest city of its age in the world!" We do not know what Los Angeles would retort to this! Tacoma, with snow-capped Rainier in its front yard, with its lovely cone-shape and certain dark furroughs in its snowy sides.

This is the Northwest of the prairie schooner and its plodding yokes of oxen, of Custer and the feathered hordes of Sitting Bull, of the buffalo-dotted plains, of the red-shirted miner with his burro, the picturesque cowpuncher and his herds of cattle—all long since passed away and through which we dash ensconced within the Pullman luxury of our steel flyer. A thousand diversions by the way, whenever you want to linger and plunge into the core of a tourist-neglected part of your America that has no counterpart abroad.

Henry Albert Phillips.

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